# City of Euless

## Annual Comprehensive Financial Report

### Fiscal Year Ending September 30, 2021

201 N. Ector Drive, Euless, TX 76039 www.eulesstx.gov

THE CITY OF
EULESS

# City of Euless, Texas

## Annual Comprehensive Financial Report
## Fiscal Year Ending
## September 30, 2021

**Prepared by**
**City of Euless**
**Finance Department**

**201 North Ector Drive**
**Euless, TX 76039**

THE CITY OF
EULESS

**CITY OF EULESS, TEXAS**
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**YEAR ENDED SEPTEMBER 30, 2021**

# C O N T E N T S


| | Page(s) |
|---|---|
| INTRODUCTORY SECTION | |
| Letter of Transmittal | i-vii |
| City Officials | viii |
| Organizational Chart | ix |
| GFOA Certificate of Achievement | x |
| FINANCIAL SECTION | |
| Independent Auditor's Report | 1-3 |
| Management's Discussion and Analysis (unaudited) | 5-17 |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Position | 18 |
| Statement of Activities | 19 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet | 20-21 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 23 |
| Statement of Revenues, Expenditures and Changes in Fund Balances | 24-25 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 27 |
| Proprietary Funds | |
| Statement of Net Position | 28-29 |
| Statement of Revenues, Expenses, and Changes in Net Position | 30-31 |
| Statement of Cash Flows | 32-33 |
| Fiduciary Funds | |
| Statement of Net Position | 34 |
| Statement of Changes in Fiduciary Net Position | 35 |
| Notes to Basic Financial Statements | 36-77 |
| Required Supplementary Information | |
| Schedule of Changes in Net Pension Liability and Related Ratios (Texas Municipal Retirement System) | 80 |
| Schedule of Contributions (Texas Municipal Retirement System) | 81 |
| Schedule of Changes in Net OPEB Liability and Related Ratios | 82 |
| Schedule of Contributions – OPEB Trust | 83 |
| Budgetary Comparison Schedules | |
| General Fund | 84-85 |
| Car Rental Special Revenue Fund | 86 |
| Grant Special Revenue Fund | 87 |
| Notes to Required Supplementary Information | 88 |
| Combining and Individual Fund Statements and Schedules | |
| Non-Major Governmental Funds | |
| Combining Balance Sheet | 92-95 |

**CITY OF EULESS, TEXAS**
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**YEAR ENDED SEPTEMBER 30, 2021**

# C O N T E N T S – CONTINUED


| | | Page(s) |
|---|---|---|
| Combining and Individual Fund Statements and Schedules - Continued | | |
| Non-Major Governmental Funds | | |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | | 96-99 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual | | |
| Hotel/Motel Special Revenue Fund | | 100 |
| Half-Penny Sales Tax Special Revenue Fund | | 101 |
| Police Drug Enforcement Special Revenue Fund | | 102 |
| Crime Control and Prevention District Special Revenue Fund | | 103 |
| Police Seized Assets Special Revenue Fund | | 104 |
| Juvenile Case Special Revenue Fund | | 105 |
| TIRZ #3 Glade Parks Special Revenue Fund | | 106 |
| Midtown Public Improvement District Special Revenue Fund | | 107 |
| TIRZ #4 Midtown Special Revenue Fund | | 108 |
| Cable PEG Fees Special Revenue Fund | | 109 |
| Internal Service Funds | | |
| Combining Statement of Net Position | | 111 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position | | 112 |
| Combining Statement of Cash Flows | | 113 |
| STATISTICAL SECTION (Unaudited) | Table | |
| Net Position by Component | 1 | 117 |
| Changes in Net Position | 2 | 118-119 |
| Fund Balances, Governmental Funds | 3 | 120 |
| Changes in Fund Balances, Governmental Funds | 4 | 121 |
| Estimated Actual Value of Taxable Property | 5 | 122 |
| Direct and Overlapping Property Tax Rates | 6 | 123 |
| Principal Property Taxpayers | 7 | 124 |
| Property Tax Levies and Collections | 8 | 125 |
| Ratio of Outstanding Debt by Type | 9 | 126 |
| Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita | 10 | 127 |
| Direct and Overlapping Governmental Activities Debt | 11 | 128 |
| Schedule of Revenue Bond Coverage Water and Wastewater Bonds | 12 | 129 |
| Demographic Statistics | 13 | 130 |
| Principal Employers | 14 | 131 |
| Full-time City Government Employees by Function/Program | 15 | 132 |
| Operating Indicators by Function/Program | 16 | 133 |
| Capital Asset Statistics by Function/Program | 17 | 134 |

# INTRODUCTORY SECTION

THE CITY OF
EULESS

THE CITY OF EULESS

February 22, 2022

To the Honorable Mayor,
Members of the City Council, and
Citizens of the City of Euless, Texas

The Finance Department and City Manager's Office are pleased to submit the Annual Comprehensive Financial Report for the City of Euless, Texas ("City") for the fiscal year ended September 30, 2021. This report complies with State law which requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report is published to provide the City Council, City staff, citizens, bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City. The report consists of City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the accuracy, completeness, and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits derived from them, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Weaver, L.L.P., a firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.


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This report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, a listing of City Officials, and an organizational chart of the City. The Financial Section includes the independent auditor's report on the basic financial statements, Management's Discussion and Analysis ("MD&A"), basic financial statements, the Notes to the Basic Financial Statements, and combining and individual fund statements and schedules. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement, and should be read in conjunction with, the MD&A. The City of Euless' MD&A can be found immediately following the independent auditor's report. The Statistical Section includes financial and demographic information relevant to readers of the City's financial statements. The statistical data is generally presented on a multi-year basis.

**Profile of the City of Euless, Texas**

The City of Euless is located in North Central Texas in Northeast Tarrant County approximately 16 miles west of Dallas and 16 miles east of Fort Worth. Euless is readily accessible by State Highway 183 which is a multi-lane expressway linking Dallas to Fort Worth. Other major highways through the City include State Highway 121, State Highway 360, State Highway 10 and Farm-to-Market Road 157. Euless' centralized location provides quick access to both Dallas and Fort Worth metropolitan areas and is adjacent to Dallas-Fort Worth International Airport ("DFW Airport"), one of the world's busiest airports. The City is approximately 16.2 square miles and serves a population of approximately 58,260.

The City of Euless was incorporated February 24, 1953 and is a home rule city operating under a Council/Manager form of government. The City Council is comprised of the mayor and six council members who are elected at large. The Council has the authority to enact local legislation, levy taxes, adopt budgets, determine policies, incur debt, and appoint the City Secretary, City Attorney, Municipal Court Judge, and the City Manager. The City Manager reports directly to the City Council, and is responsible for the daily management of the various City departments. Council members serve three-year staggered terms, with two council members elected each year. The Mayor is elected to serve a three-year term. In addition, several boards and commissions were created to assist the City Council in deciding matters of policy and procedure and meet on various issues throughout the year.

The City of Euless provides a full range of services to its citizens including: police and fire protection; emergency ambulance services; municipal court operations; development and code services; construction and maintenance of streets and highways, parks, and recreational facilities; water service and wastewater collection and treatment; and library operations. The City also operates a top-ranked, 18-hole golf course and conference center, youth athletic complex, and an aquatics center. Internal services of the City account for risk management, equipment replacement, and employee insurance coverage activities on a cost reimbursement basis. Private contractors, through franchise agreements, provide solid waste and recycling collections and disposal services for the City.

Four component units of the City, the Euless Development Corporation, the Euless Crime Control and Prevention District, Tax Increment Reinvestment Zone (TIRZ) #3 – Glade Parks, and Tax Increment Reinvestment Zone (TIRZ) #4 – Midtown, are presented in the financial statements of the City as blended component units. Data for these organizations is recorded in and presented as special revenue funds in the City's financial statements. Additional information on these component units can also be found in Note 1 in the Notes to the Basic Financial Statements.

The annual budget serves as the foundation for the City of Euless' financial planning and control. Per the City Charter, the City Manager provides to the City Council the proposed budget by August 1st each year. The budget is filed with the City Secretary and is open for public inspection. Upon receipt of the budget, the City Council sets a date for a public hearing at which time interested citizens may express their opinions regarding the proposed budget. The Charter requires the Council to adopt the budget by a favorable majority vote at least ten days prior to the beginning of the next fiscal year.

The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Budgetary control has been established at the individual fund level. Financial reports are produced showing budget to actual expenditures by line item and are distributed monthly to City departments for review.

**Economic Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Euless operates.

The City of Euless is located in Tarrant County in the heart of the Dallas/Fort Worth (DFW) Metroplex and adjacent to the DFW International Airport. Thus, the economic vitality of the region significantly impacts the economic health of Euless.

DFW Airport reports itself as the fourth largest airport in terms of operations and fifteenth largest in terms of passengers in the world, handling over 73 million passengers in 2019.

According to the North Texas Commission, DFW is the 4th largest region in the US and has experienced tremendous growth during the past decade. With its highly-diversified economy, DFW has a population of over 7.5 million with a median age of 35.3, a Gross Domestic Product of $613.4 billion, a labor force of over 3.9 million with the fifth largest concentration of tech workers in the United States, a 2.8% job growth rate, is home to 24 Fortune 500 Firms, and boasts college enrollment of over 367,000 in 33 colleges and universities making their home in the region. Such an economic environment has helped the region weather economic downturns in key sectors better than many other regions in the nation.

The AllianceTexas development in North Fort Worth is a 27,000-acre master-planned, mixed-use community which is home to 530 companies, 63,000 employees, and is

anchored by the inland port known as the Alliance Global Logistics Hub. This area offers a variety of commercial real estate options, industrial space, office space, and retail facilities (www.alliancetexas.com, *AllianceTexas spurs economy in Northeast Fort Worth).* As noted by AllianceTexas, despite the historically unprecedented challenges to the economy created by the global pandemic, more than $8.24 billion of economic impact was generated in 2020 alone, exceeding the economic impact generated in 2019 by nearly $1 billion. This is evidence of the sustainability of the region as an economic engine and a place where business can thrive amidst the toughest of circumstances.

Taxable value for all residential and commercial property in the City of Euless is estimated at approximately $5.3 billion for tax year 2021, which is a 2.76% increase from the prior year, due to increases in both residential and commercial real estate property values. Sales tax collections increased during FY2020-21 despite COVID-19 projected impacts. Euless continues to look for additional revenue opportunities in order to minimize the tax burden to citizens and strives to cut costs without impacting service.

The City typically receives a significant amount of revenue from a consolidated rental car facility located at DFW Airport. COVID-19 has had a significant impact on the travel industry and this revenue source significantly reduced in FY2020-21 but is rebounding. The City Council has chosen to continue to use this funding source to support general government operations and to cash flow capital projects in lieu of debt issuance when possible. The City has been very cautious to not become overly dependent on this volatile resource while providing for needed improvements for citizens.

The City of Euless has approximately 442.53 acres of undeveloped land. Parcels remain available at Glade Parks, Founders Parc, and the Riverwalk! development in addition to several infill tracts.

The Dallas Cowboys AT&T Stadium and Texas Rangers Globe Life Field and Globe Life Park in Arlington are located within minutes of Euless and, continue to attract additional tourism to the City by hosting concerts and sporting events, although these have been limited due to the COVID-19 pandemic.

Population with a median age of 35.3 years (U.S. Census Bureau American Community Survey 2019) has increased from 51,500 to 58,260 in ten years (North Central Texas Council of Governments). The City's median household income is $65,921, which compares favorably to $64,034 for the State of Texas (U.S. Census Bureau American Community Survey 2019). The educational level is 89.5% high school graduate or higher (U.S. Census Bureau American Community Survey 2019).

**Long-Term Financial Planning**

The City of Euless has developed a comprehensive capital improvements document. Such strategic planning has allowed the City Council to fund several major infrastructure upgrades, park enhancements, and capital purchases in a systematic manner while considering the full impact to the operating budget and tax requirements. Many of these projects have been completed on a pay-as-you-go basis by utilizing operating revenues, excess reserves, and rental car taxes.

The City Council and citizens of Euless have determined that debt issuance is a viable method of financing major capital projects and equipment purchases. Analysis of potential debt issuance includes the operating impact the repayment thereof will have on citizens, property tax rates, and enterprise fund service fee revenues. Per the City's fiscal policies, long-term debt will not be used for operating purposes and the life of the debt instruments will not exceed the useful life of the projects or equipment financed. Policy also specifies that debt with an average life of 20 years or less will be issued to reduce net interest cost and maintain future flexibility by paying off debt earlier. The majority of the City's existing long-term debt was used to finance infrastructure needs and traditional government facilities such as streets, utility infrastructure, and development of parks and open spaces.

The City's fiscal policies state current expenditures will be paid with current revenues. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. Reserves will be used for emergencies or nonrecurring expenditures, except when balances can be reduced because levels exceed guidelines or legally-required minimums.

Fiscal policies provide for a General Fund reserve equal to between 30 and 60 days of working capital. At no time shall the reserve fall below 8.3% of the General Fund expenditure budget (i.e. 30-day level). The current operating reserve is at 155 days of operations which equates to approximately 42% of next year's budgeted expenditures. At the end of the current year, the City was in compliance with this fiscal policy reserve level.

The City's fiscal policies for the Water and Wastewater Fund require the maintenance of a minimum reserve of 45 to 75 days of working capital. The City currently maintains a 139-day reserve. Water and Wastewater revenue bond covenants require the City to maintain reserve amounts sufficient to cover the average annual debt service requirements. This revenue bond reserve is in addition to the working capital required by the City's fiscal policies and is maintained in a separate fund on the general ledger. As of September 30, 2021, the revenue bond reserve totaled $827,464 which meets the required average annual debt service per bond covenants.

Standard & Poor's Ratings Services, a subsidiary of the McGraw-Hill Companies, Inc. rates the City's general obligation debt and sales tax revenue debt at AA and the water and wastewater revenue debt at AA+. Moody's Investor Service, Inc. rates the general obligation debt and water and wastewater revenue debt at Aa2. Additional information about the rating agencies or the significance of the ratings provided may be obtained from each agency's web site.

**Major Initiatives**

The City has partnered with Tarrant County, surrounding cities, local churches, and businesses to renovate qualifying homes in the community through the Tarrant County Home Program and the Community Powered Revitalization Program ("CPR"). Through these partnerships, the cities of Hurst, Euless, and Bedford have joined forces to assist qualifying residents in all three communities.

The City's Capital Improvements Program and Americans With Disability Act (ADA) Transition Plan address facility needs of the City. The Parks Master Plan, which focuses on improving the quality of life for the community, includes additional hike/bike trails, park amenities and upgrades. The City has completed several projects in the past year and has many others underway that were included in these plans. The City believes it is critical that the street, water, wastewater, and drainage systems are properly maintained and systematically upgraded. While these are not glamorous, these represent the most basic governmental functions. Deferral of these projects creates a financial burden for future generations.

The FY2019 Street Reconstruction Project-Phase I project is underway. This project includes Harwood Road between N. Main and State Highway 157, S. Pipeline Road from Royal Parkway to Highland Drive, Highland Drive, W. Pipeline from Raider Drive, to the western city limits and an extension of Mills Drive from State Highway 10 to Carr Park. The construction work is being performed in two phases. This first phase includes Harwood Road, S. Pipeline Road and Highland Drive. The second phase is scheduled for bid in the fall of 2022. Both the FY2022 Sanitary Sewer Rehabilitation and the Bear Creek Elementary School Drainage Channel Improvements projects are being engineered currently. The water well replacement projects at the Far North Well and Fuller Well are near completion with only flushing, testing, and final authorization needed.

Over the last several years, the City has worked with developers on some major, mixed-use centers. Glade Parks, located along the southwest corner of Glade Road and Highway 121, provides approximately 1.2 million square feet of retail/office and includes a unique residential component. In an effort to promote development in this area, the City created a Tax Increment Reinvestment Zone ("TIRZ") for the Glade Parks development and approved the related project and financing plan. This plan authorized the City to undertake certain public improvements associated with the Glade Parks development. Additionally, the City created the Glade Parks Public Improvement District ("PID") which is funded from assessments within the district. Over the last several fiscal years, numerous businesses opened in this development creating increased property values and retail sales. The single-family residential component continues to add value to the property tax base as well.

The RiverWalk! development includes approximately 200 acres located at the northwest corner of Airport Freeway and State Highway 360 extending north to Harwood Road. Lennar Homes has developed five (5) subdivisions within the RiverWalk! mixed use project.

The City also approved a 56-acre mixed-use development called Founders Parc, previously known as Midtown, located on the south side of State Highway 183, east of Farm-to-Market Road 157 and north of State Highway 10. Building is continuing on this development of 259 new single-family homes, 285 urban lofts, and over 57,000 square feet of retail and commercial space. Both a TIRZ and a PID have been created by the City to support debt for public improvements needed for the area including roadways, water distribution system, sanitary sewer and storm sewer collections systems, hardscaping, and amenities.

There are currently six active residential subdivisions in the City.

**Awards and Acknowledgements**

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Euless for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has been awarded a Certificate of Achievement for the last 34 consecutive years. We believe that the current Annual Comprehensive Financial Report meets the Certificate of Achievement program requirements and are submitting it to GFOA for review.

In addition, the City of Euless received the GFOA's Distinguished Budget Presentation Award for its annual budget document. The City of Euless has received the Distinguished Budget Award for the last 30 years. In order to qualify for the award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those who were instrumental in the successful completion of this report.

We would like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible, professional, and progressive manner. As always, the City of Euless staff welcomes and appreciates your comments.

Respectfully Submitted,

Loretta Getchell
City Manager

Janina Jewell
Director of Finance

# City of Euless

## FISCAL YEAR 2021-2022

## Council Members

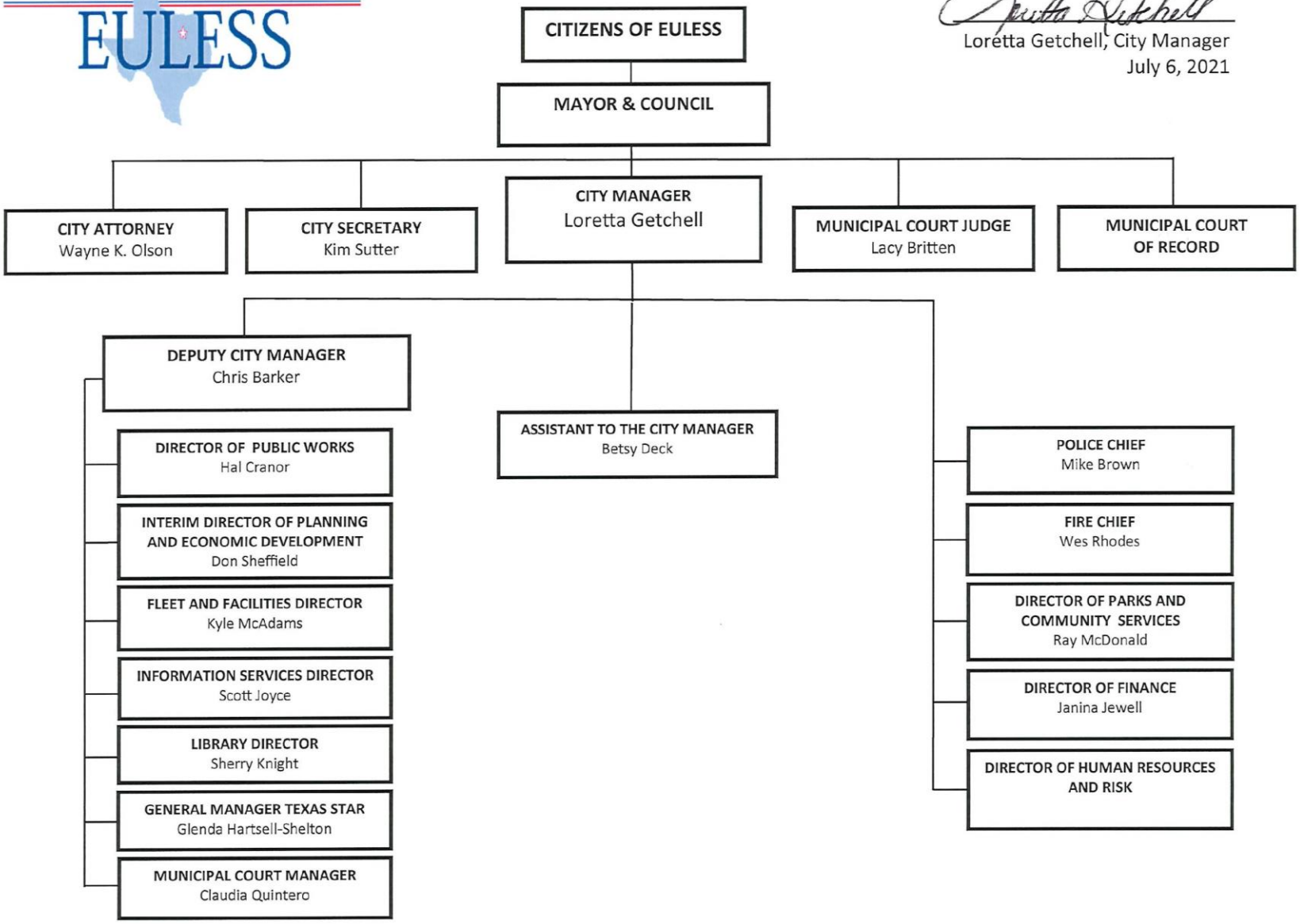
LINDA MARTIN, MAYOR
Tim Stinneford, Mayor Pro Tem, Place One
Jeremy Tompkins, Place Two
Eddie Price, Place Three
Perry Bynum, Place Four
Harry Zimmer, Place Five
Tika Paudel, Place Six

Loretta Getchell, City Manager
Chris Barker, Deputy City Manager

# ORGANIZATIONAL CHART

THE CITY OF EULESS

Loretta Getchell, City Manager
July 6, 2021



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Euless**
**Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

# FINANCIAL SECTION

THE CITY OF
EULESS

weaver
Assurance • Tax • Advisory

# Independent Auditor's Report

To the Honorable Mayor,
City Council and City Manager
City of Euless, Texas

## Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Euless, Texas (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Euless, Texas, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970

The Honorable Mayor,
City Council and City Manager

**Emphasis of Matter**

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Beginning net position in the custodial fund has been restated as a result of the implementation of this standard. Our opinions are not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Honorable Mayor,
City Council and City Manager

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 21, 2022

THE CITY OF
EULESS

**CITY OF EULESS, TEXAS**

Management's Discussion and Analysis
For the Year Ended September 30, 2021
(Unaudited)

Management of the City of Euless offers the readers of the City's financial statements this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2021. In the broadest context, the financial well-being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically so that the City's tax base, service levels, City assets, and the City's desirability will be maintained not just for the current year but well into the future.

Financial reporting is limited in its ability to provide the "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and/or expenditures higher or lower than the previous year? Has net position (containing both short-term and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities") of the government been maintained? Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal (pages i-vii of this report) and the statistical section (pages 117-134 of this report) as well as information in the annual budget and the capital improvement plan along with other community information found on the City's website at www.eulesstx.gov. It should be noted that the Independent Auditor's Report describes the auditors' association with the various sections of this report and that all of the additional information from the website and other City sources is unaudited.

**Financial Highlights**

- The assets and deferred outflows of resources of the City of Euless exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $268,084,428 (net position). This number must be viewed in the context that the vast majority of the City's net position of $195,410,709 (73%) is net investment in capital assets and that most capital assets in government do not directly generate revenue nor can they be sold to generate liquid capital. The net position restricted for specific purposes totaled $12,115,090 (4%). The remaining $60,558,629 (23%) is unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- Governmental activities realized an increase in total net position of $15,748,731 and business-type activities realized an increase in total net position of $3,090,700 bringing the total increase in net position for the City to $18,839,431.
- At the close of the current fiscal year, the City of Euless' governmental funds reported combined ending fund balances of $69,829,149 which represents an increase of $3,084,368. Within this total, $4,316,041 is restricted for debt service; $18,996,535 is restricted by bond covenant for capital projects; $117,674 and $196,357 are restricted for court technology and juvenile case management, respectively; and another $2,220,321 is restricted for capital projects by developer agreements. Amounts restricted for cable PEG fees and historical preservation total $589,452 and $1,245, respectively. Nonspendable fund balance of $224,695 represents fund balance amounts for

inventories and prepaid items. Fund balances of $22,926,159 represent assigned fund balance in the general, special revenue, and capital projects funds. The unassigned fund balance in the General Fund of $20,240,670 can be used for any lawful purpose. The General Fund unassigned balance represents 48% of fiscal year 2021 total fund expenditures.

- The City's total capital assets (net of accumulated depreciation) increased by $10,172,523 which is attributed to completion of capital improvement projects and other asset additions including construction in progress exceeding current year depreciation expense and asset retirements.
- The City's debt payable increased by $1.2 million or 1.3% due primarily to the issuance of certificates of obligation and tax notes less scheduled principal payments and annual amortization of premiums and discounts on debt issuances.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of Euless' basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Euless' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Euless' assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Euless is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash receipts and cash outlays in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities functions of the City include general and administrative, public safety, highways and streets, development services, and culture and recreation. The business-type activities of the City include water and wastewater system, drainage system, golf course, and other recreational enterprises.

The government-wide financial statements include not only the City of Euless (the primary government), but also the Euless Development Corporation, the Crime Control and Prevention District, the Tax Increment Reinvestment Zone #3 – Glade Parks, and Tax Increment Reinvestment Zone #4 – Midtown which are legally separate entities that are financially accountable to the City. A blended presentation has been used to report the financial information of these component units.

The government-wide financial statements can be found on pages 18-19 of this report.

**Fund Financial Statements.** A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Euless, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements with the exclusion of internal service fund activity. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Car Rental Tax, Grant, and Street CIP funds, all of which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General, Car Rental Tax, and Grant major governmental funds. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with the adopted budgets.

The basic governmental fund financial statements can be found on pages 20-27 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater, drainage utility, golf operations, and other recreation enterprises. Internal service funds are an accounting device used to accumulate resources and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment replacement, risk management, and health insurance services. Because these services predominately benefit governmental rather than business-type functions, a portion of the activities in these funds is included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water and Wastewater, Drainage Utility, Golf, and Other Recreation enterprises all of which are considered to be major funds of the City. The internal service funds are combined into a single, aggregate

presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28-33 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 34 and 35 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-77 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide pension and post-employment healthcare benefits to its employees. Additionally, schedules comparing budgetary figures and actual results of the General, Car Rental Tax, and Grant funds are also located in this section of the report. Required supplementary information can be found on pages 80-88 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions, OPEB, and budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 92-113 of this report.

**Government-Wide Financial Statement Analysis**

As noted earlier, net position and especially net position by category may serve over time as a useful indicator of a government's financial position. In the case of the City of Euless, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $268,084,428 as of September 30, 2021.

The largest portion of the City's net position (73%) reflects its investment in capital assets (i.e., land, buildings, equipment, improvements, construction in progress, and infrastructure) net of accumulated depreciation, less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending and with the exception of business-type assets, do not generate direct revenue for the City. They do, however, represent an obligation on the part of the City to maintain these assets into the future.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $60,558,629 (23%) may be used to meet the City's ongoing obligations to citizens, creditors, and employees.

***Net Position***

| Amounts shown in 000's | Governmental activities | | Business-type activities | | Total | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current and other assets | $ 107,655 | $ 94,017 | $ 38,350 | $ 39,129 | $ 146,005 | $ 133,146 |
| Capital assets | 179,771 | 170,321 | 85,268 | 84,545 | 265,039 | 254,866 |
| Total assets | 287,426 | 264,338 | 123,618 | 123,674 | 411,044 | 388,012 |
| Total deferred outflows | 4,287 | 4,444 | 1,121 | 1,200 | 5,408 | 5,644 |
| Long-term liabilities | 91,089 | 92,497 | 25,223 | 27,435 | 116,312 | 119,932 |
| Other liabilities | 19,275 | 11,350 | 5,237 | 6,369 | 24,512 | 17,719 |
| Total liabilities | 110,364 | 103,847 | 30,460 | 33,804 | 140,824 | 137,651 |
| Total deferred inflows | 6,331 | 5,665 | 1,213 | 1,094 | 7,544 | 6,759 |
| Net position: | | | | | | |
| Net investment in capital assets | 130,460 | 104,019 | 64,951 | 66,555 | 195,411 | 170,574 |
| Restricted | 7,441 | 30,103 | 4,674 | 8,693 | 12,115 | 38,796 |
| Unrestricted | 37,117 | 25,148 | 23,441 | 14,728 | 60,558 | 39,876 |
| Total net position | $ 175,018 | $ 159,270 | $ 93,066 | $ 89,976 | $ 268,084 | $ 249,246 |

As of September 30, 2021, the City reports positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities. The same was true for the prior year.

The City's unrestricted net position increased by $20,682,839 in fiscal year 2021 as compared to the unrestricted net position for the prior year. Restricted net position realized a decrease of $26,680,690 and the amount invested in capital assets, net of related debt increased by $24,837,282. The increase in total net position of almost $19 million results primarily from current year operating results flowing to the net investment in capital assets and unrestricted categories of net position. The decrease in the restricted portion of net position primarily results from the removal of the portion restricted for capital projects. The amounts restricted for debt service and impact fees increased by $487,810 and $237,210, respectively. The other restrictions, excluding amounts previously shown as restricted for CIP, realized a net reduction of just over $80,000. The details of the results of current year operations are found in the table shown on the following page.

### *Changes in Net Position*

| Amounts shown in 000's | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| ***REVENUES*** | | | | | | |
| **Program revenues:** | | | | | | |
| Charges for services | $ 5,868 | $ 6,140 | $ 35,198 | $ 32,016 | $ 41,066 | $ 38,156 |
| Operating grants and contributions | 811 | 3,595 | - | - | 811 | 3,595 |
| Capital grants and contributions | 396 | 2,191 | 1,002 | 2,678 | 1,398 | 4,869 |
| **General revenues:** | | | | | | |
| Property taxes | 24,196 | 22,837 | - | - | 24,196 | 22,837 |
| Sales taxes | 24,373 | 22,088 | - | - | 24,373 | 22,088 |
| Car rental taxes | 13,063 | 10,043 | - | - | 13,063 | 10,043 |
| Mixed beverage taxes | 171 | 146 | - | - | 171 | 146 |
| Occupancy taxes | 1,183 | 925 | - | - | 1,183 | 925 |
| Gross receipts taxes | 4,220 | 4,239 | - | - | 4,220 | 4,239 |
| Investment income | 124 | 1,055 | 42 | 369 | 166 | 1,424 |
| Rents and royalties | 1,574 | 1,462 | - | - | 1,574 | 1,462 |
| Gain on asset disposal | - | - | - | (85) | - | (85) |
| Miscellaneous | 1,082 | 971 | - | - | 1,082 | 971 |
| Total revenues | 77,061 | 75,692 | 36,242 | 34,978 | 113,303 | 110,670 |
| ***EXPENSES*** | | | | | | |
| Culture and recreation | 6,890 | 5,539 | - | - | 6,890 | 5,539 |
| Development services | 904 | 1,063 | - | - | 904 | 1,063 |
| General government | 20,604 | 20,828 | - | - | 20,604 | 20,828 |
| Highways and streets | 3,906 | 3,602 | - | - | 3,906 | 3,602 |
| Public safety | 27,489 | 27,355 | - | - | 27,489 | 27,355 |
| Interest and fiscal charges | 2,507 | 2,561 | - | - | 2,507 | 2,561 |
| Water and wastewater | - | - | 24,824 | 25,333 | 24,824 | 25,333 |
| Drainage utility | - | - | 1,572 | 1,502 | 1,572 | 1,502 |
| Golf course | - | - | 4,201 | 3,997 | 4,201 | 3,997 |
| Recreation enterprises | - | - | 1,568 | 1,491 | 1,568 | 1,491 |
| Total expenses | 62,300 | 60,948 | 32,165 | 32,323 | 94,465 | 93,271 |
| Increase (decrease) in net position before transfers | 14,761 | 14,744 | 4,077 | 2,655 | 18,838 | 17,399 |
| Transfers | 987 | 552 | (987) | (552) | - | - |
| Increase (decrease) in net position | 15,748 | 15,296 | 3,090 | 2,103 | 18,838 | 17,399 |
| Net position, beginning | 159,270 | 143,974 | 89,976 | 87,873 | 249,246 | 231,847 |
| Net position ending | $ 175,018 | $ 159,270 | $ 93,066 | $ 89,976 | $ 268,084 | $ 249,246 |

- **Governmental activities.** Governmental activities increased the City's net position by $15,748,731 thereby accounting for most of the growth (84%) in total net position. Many revenue categories, including property taxes, sales taxes, occupancy taxes, car rental taxes and mixed beverage taxes exceeded prior year receipts and budget expectations. Gross receipt taxes and investment income fell short of prior year collections and budget projections. Charges for services dropped below prior year levels and both operating and capital grants and contributions were less than last year. Sound fiscal management and close monitoring of revenues and expenses allowed the City to realize an increase in governmental activities net position before transfers of $14,762,093.

Total revenue for the governmental activities (excluding transfers) increased from the previous year by $1.4 million primarily due to a net increase in general revenues of $6.2 million exceeding declines in program revenues of approximately $4.85 million. General revenues are primarily comprised of property taxes, sales taxes, and car rental taxes. Property tax revenue increased due to an overall increase in taxable values of 5.9% over the prior year values (See Statistical Table 5). Reopening of the economy along with relaxation of strict social distancing measures as well as the availability of vaccines advantageously affected sales tax collections which increased nearly $2.3 million. Lifting of flight restrictions resulted in increased travel that also led to much-improved car rental tax collections. By the end of the fiscal year, monthly collections were exceeding pre-pandemic levels. Total governmental program revenues, which consist of charges for services, grants, and contributions, realized a decrease of $4.85 million. In the prior year, culture and recreation revenues took a large hit from the closure of the recreation center, senior center, and the water park, as well as the cancellation of all scheduled classes. The "return to normal" allowed for the reopening of these facilities which led to increased program revenues of $285,000. Development services revenues declined by approximately $120,000 due to a decline in building permits of $177,000 which was partially offset with an increase in minimum housing of $57,000. General and administrative charges realized a decrease of $380,000 due in part to continued declines in municipal court revenues of $115,000. Miscellaneous revenue, which also falls into this category, dropped nearly $266,000. Last year, a miscellaneous one-time payment of close to $300,000 was recorded for the ambulance supplemental payment program. No such payment was recorded in the current fiscal year. Public safety charges increased by $37,000 for the year. Revenues from drug enforcement activities increased by more than $100,000 while jail revenue from holding federal prisoners dropped $72,000 due to a decline of approximately 50% in the number of detainees housed. The Midtown PID assessment accounts for the decrease in highways and streets program revenues of $94,000. A flow-through of federal CARES Act funding from Tarrant County of more than $3 million was recorded in the prior year, whereas public safety grants for the current year totaled $793,000. Developer contributions of infrastructure and other contributed capital are primarily responsible for the decrease of $1.8 million in capital grants and contributions.

Total expenses of governmental activities increased by $1.46 million from FY2020 to FY2021. While there was no traditional raise package for employees, two 2% lump-sum raises were awarded to employees that met length-of-service requirements. The lump-sum raise packages for employees account for an increase in governmental activities expenses of approximately $1.3 million in total. Pension-related entries decreased expenses $2.97 million for the current year primarily due to the recording of changes in and amortization of deferred outflows and deferred inflows combined with a decrease in the net pension liability. In the prior year, these entries decreased salary-related expenses of governmental activities by $175,000. OPEB-related expenses which includes the change in the net OPEB liability, related deferred inflows and deferred outflows, as well as the amortization of the deferrals decreased salary-related expenses by approximately $224,000 compared to a decrease in expenses of $85,000 in the prior year. The FY2021 allocation of internal service fund activity decreased governmental expenses by $9,318,000, whereas the prior year expenses were reduced by $12,053,000. This equates to an increase year-over-year (expense reduction was less) of $2.735 million. The large reduction in prior year expenses results mainly from the allocation of funding life-to-date accumulated replacement costs on essential equipment. In the current year, the value of only one year's replacement costs was funded. Fluctuations in depreciation expense as a result of the acquisition and disposal of capital assets increased by $408,000 over the prior year. Interest and fiscal charges declined by $54,000 due to a reduction in scheduled payments. The net position of general governmental operations accounts for 65% of total net position.

- **Business-type activities.** Business-type activities increased the City's net position by $3,090,700. The change in net position before transfers is $4,077,338. Charges for services program revenues for the business-type activities increased from the previous year by $3.2 million due primarily to increased Water and Wastewater ("W&WW") revenues and golf revenues of $1.6 million and $987,000, respectively. An increase in volume rates in both water consumption and wastewater treatment accounts for a portion of the increased revenues in the water and wastewater fund. However, the true-up refund of almost $934,000 from Trinity River Authority ("TRA") is primarily responsible for the increased revenues in this operation. In the prior year, the golf facilities closed or scaled back operations for much of the fiscal year due to the pandemic, capacity limitations, and shelter in place orders. In the current year, the golf course reached the highest level of paid rounds achieved in the last ten years. Capital grants and contributions decreased by close to $1.7 million due primarily to decreased developer contributions of infrastructure.

  Overall, total business-type expenses realized a net decrease for the year of $159,000 combined. Net pension and net OPEB related entries decreased salary and benefit costs by more than $597,000 in the business-type activities this year compared to a decline of only $61,000 in the prior year. Water purchases and wastewater treatment costs dropped from the prior year as a result of decreases in consumption and treatment volumes. Increased costs of $204,000 at the golf course resulted from the increase in rounds and revenues. Drainage utility and other recreation enterprises realized expense increases of $70,000 and $77,000, respectively. Net position for business-type activities represents 35% of total net position.

**Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Euless' governmental funds reported combined ending fund balances of $69,829,149, which represents an increase of $3,084,368 in comparison with prior year. Approximately 29% or $20.2 million constitutes unassigned fund balance in the general fund that is available for spending at the City's discretion. Another $224,695 in non-spendable fund balance represents amounts invested in inventories and prepayments. Another portion is restricted to indicate that it is not available for new spending because it has already been committed 1) to pay debt service ($4,316,041); 2) to pay for specific capital improvements per developer agreements ($2,220,321); 3) restricted by bond covenant for specific capital projects ($18,996,535); and 4) for a variety of other restricted purposes ($904,728). Assigned fund balance includes funds that management intends to use for a specific purpose as well as any residual balances of governmental funds other than the general fund. Assigned fund balance totals $22,926,159 and includes assigned fund balance in the general fund of $164,801 and $22,761,358 represents residual balances in other governmental funds. See discussion under Fund Balance Classifications in Note 1 of the Notes to Basic Financial Statements for additional details on fund balance.

In the General Fund, the City budgeted for a decrease in fund balance (i.e. a planned reduction) of $5,508,032 (revised). Due to a positive budget variance in overall revenues and expenditures, the General Fund ended the year with an increase to fund balance of $528,248. This figure represents a positive budget variance of $6,036,280 resulting primarily from sales tax collections as well as licenses

and permit revenues exceeding expectations. Expenditure savings of $2 million, before transfers results primarily from savings in general and administrative costs of almost $1.4 million.

Several General Fund revenue categories realized increases over the prior year including property tax collections, general sales tax receipts, intergovernmental revenue, and pool revenue. The reopening of the economy, relaxation of strict social distancing measures, and the availability of vaccines allowed for a "return to normal" that resulted in increased sales tax revenues of $1.4 million over the prior year. Taxable property values increased by 5.9% over the prior year values. The resulting increase in property tax collections of just over $1 million helped to offset reductions in several other revenue categories. These categories include fines and fees, licenses and permits, investment income, rental income, and miscellaneous income. Telephone and cable gross receipt taxes declined as providers of both services were required to remit taxes on only one type of service per changes in State law. Municipal court fines dropped by more than $102,000 and building permits declined by over $176,000. Swimming pool revenues increased due to the re-opening of the water park in the current fiscal year. In the prior year, the recreation and senior centers were closed, classes were cancelled, and the water park didn't open for the entire season. Market rates as well as investment portfolio yields continued to decline throughout the fiscal year even as the City's average portfolio balance increased over the prior year. A resulting decline in investment income of more than $201,000 was realized. However, total revenues surpassed prior year levels by nearly $1.8 million.

Expenditures increased $2.4 million or 6% over the prior year, and ended the fiscal year under budget parameters by more than $2 million. In the prior year public safety salary and benefit expenditures were reduced by nearly $3.1 million as qualified costs incurred for the City's coronavirus response were moved to the grant fund. Funding to cover these expenditures was provided via a flow-through grant from Tarrant County of their federal CARES Act allocation. For the current fiscal year, these costs were recorded in the general fund and funded by the operating budget. In addition to the $3.1 million, public safety salary and benefit costs increased by approximately $933,000 due to the temporary relocation of costs for four police officers to the general fund, the two one-time employee raises, changes in employee health and dental coverage elections and associated premiums, and retirement contributions. Many of the City's benefits are salary-based and increase automatically when any type of raise becomes effective. Other public safety expenditures declined by $363,000 due primarily to the reduction in equipment replacement user fees charged to the patrol and EMS/Suppression divisions. Non-departmental expenditures, which are classified in the general and administrative expenditure category, increased by $932,000 primarily due to an increase in transfers to CIP of $2.3 million to fund street overlay and property purchases less a decline in equipment user fee transfers of $1.5 million. The decline is due to funding life-to-date replacement costs of equipment in the prior year. Public safety supplies decreased by close to $247,000 due to a reduction in expenditures required for the City's COVID response. February's winter storm left much of Texas blanketed in ice with record-breaking cold temperatures. Many residents were left without electric and water services due to the extreme weather conditions. The City's electric service costs were impacted by ancillary fees charged by the power provider due to interruptions in the power grid and spikes in purchase costs. Culture and recreation realized an overall increase in expenditures due to increased costs for mowing City facilities and rights-of-way as well as land betterments and structural maintenance. Expenditures in highways and streets rose by nearly $257,000 primarily as a result of resumed spending on capital expenditures for streets, sidewalks and curbs, traffic signals, and lighting that were placed on hold in the prior year due to uncertainties in the revenue stream.

The Debt Service fund balance increased $477,900 which is $547,765 better than the expected drawdown of $69,865. The positive variance results primarily from property tax collections surpassing

projections by approximately $363,000 combined with the premium collected on the issuance of debt that also exceeded expectations by $147,000. Issuance costs were $76,000 less than anticipated.

The Car Rental Tax fund balance was originally anticipated to increase $316,013, but ended the year with an increase of $2,698,343 resulting primarily from a significant turnaround in car rental revenues due to relaxation of travel restrictions imposed during the first months of the pandemic and the public's reluctance to fly when these travel restrictions were lifted. The availability of vaccines also had a positive impact on the travel industry, thereby positively impacting car rental taxes which increased by $3 million over the prior year. Investment income was approximately $110,000 less than prior year levels due to falling market rates. Per contractual agreement, the car rental revenues are shared with the cities of Dallas and Fort Worth. Increased collections led to a $2 million increase in expenditures, while capital outlay declined by $114,000. Transfers to other funds decreased by nearly $3.9 million due to an almost 50% reduction in the general fund transfer, elimination of the transfer to the golf course, and a reduction in the transfers for project funding of nearly $2.4 million.

The Streets CIP fund balance increased by $1.6 million due to the issuance of debt and associated premium of $5.5 million, transfers in of $1 million, and project expenditures totaling $4.9 million. The FY2021 street improvement project consisting of edge milling, asphalt overlay, and restriping of various City streets incurred costs of close to $1 million during the fiscal year. The FY2019 street project for the reconstruction of Pipeline Road, Highland Drive, Harwood Road, and Mills Drive incurred current fiscal year expenditures of $3.6 million.

The non-major governmental funds realized a combined decrease in fund balance of $2,197,811; special revenue funds contributed an increase of $4,526,725, while the capital projects funds reduced the balance by $6,724,536. Almost all governmental CIP funds realized fund balance decreases as expenditures ramped up on projects funded (at least partially) in the prior fiscal year. Current year project funding from transfers totaled $2.5 million while project expenditures totaled $9.3 million. Hotel/motel collections exceeded expectations and prior year collections by $655,000 and $258,000, respectively. Hotel/motel fund expenditures and transfers out were both down from the prior year. This fund added $630,000 to fund balance for the year. The Half-Penny Sales Tax (EDC) fund added almost $2 million to fund balance primarily resulting from increased sales taxes as discussed previously. Expenditures decreased by $892,000 due to a decrease in parks user fees for equipment replacement; while transfers out were close to those of the prior year. The Crime Control and Prevention District (CCPD) fund added $905,000 to fund balance in the current year as a result of increased sales tax collections and an $850,000 reduction in expenditures. Salary and benefit costs decreased in the CCPD fund by approximately $406,000 primarily as a result of temporarily moving the cost of four police officers to the General fund in anticipation of a decline in sales tax collections that did not materialize. One-time project expenditures dropped by $363,000 as several approved projects were moved to equipment replacement. The TIRZ #3 Glade Parks fund increased fund balance by $791,000 primarily due to the collection of property and sales taxes from participating entities outpacing debt service expenditures.

**Enterprise funds.** The City's enterprise fund statements provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. Most of the City's enterprise funds are heavily dependent upon local weather conditions. During the year, rainfall fell short of that of a "normal" year by nearly three inches and was also short of prior year levels by almost 12".

The W&WW fund realized an increase in operating income resulting primarily from increased operating revenues combined with a decline in expenses of $820,000. The W&WW fund revenues increased $1.6 million resulting from rate increases, restoration of late fees and penalties, and the true-up refund from

TRA discussed previously. Water purchases and wastewater treatment costs fell by $638,000 combined. Non-departmental expenses dropped by $314,000 overall. Salary and benefit expenses in this department declined by almost $430,000 due to changes in the net pension and net OPEB liabilities, related deferred inflows and outflows, as well as the amortization of the deferrals. Legal fees dropped by $31,000 from the prior year; while electric service increased by $110,000 due to additional charges incurred during the winter storm as discussed previously. Depreciation expense increased due to the addition of capital assets outpacing asset retirements for this fund. Including nonoperating and other revenues and expenses, an increase of almost $3.3 million was realized in the W&WW fund for FY2021.

The golf course was fully operational during the year leading to increased revenues of $983,000 and net expense increases of $47,000 leading to additional operating income of $937,000 over prior year levels. Paid golf rounds were the highest seen in the last ten years. Entries relating to net pension and net OPEB liabilities and related deferrals dropped salary expenses by almost $91,000. A reduction in user fee transfers to equipment replacement totaled $65,000; while cost of goods sold increased by $131,000 for food, beverage, and merchandise for resale due to higher sales.

The decrease in net position of the Drainage Utility fund results primarily from depreciation on drainage infrastructure and capital assets. The Parks at Texas Star (included in other recreation enterprises) reopened in March upon completion of facility renovations. Reopening of the PATS facility and the recreation center and well as the reinstatement of recreation classes improved revenues by $549,000; reductions in equipment user fees resulted in lower operating expenses.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, totaled $265,039,155 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. The net increase in the City's investment in capital assets for the current fiscal year was $10,172,523 or about 4%. Major capital asset activity that occurred during the current fiscal year included the following:

- Capital asset contributions were comprised of $401,000 in Community Development Block Grant (CDBG) expenditures for Del Paso Phases I and II wastewater line replacement, CDBG-CV funding of a canopy at the senior center, and developer asset dedications totaling just over $1 million in street infrastructure, land, water and wastewater facilities, and drainage structures.
- Capital asset additions for governmental activities include, but are not limited to, equipment for public works, remodel of the park's maintenance building, mowers for parks, a debris management plan, several police vehicles, and a variety of public safety equipment. The remodel of the library was completed in FY2021 at a total cost of $8.2 million.
- Construction-in-progress related to general government activity of $26,565,928 primarily consists of FY2019 Street Reconstruction ($5.1 million), Fire Station #1 ($3.3 million), and Midtown Development ($18 million).
- Phase I of the Midway Park 3rd Addition wastewater line was completed at a total cost of $289,000. El Camino Real wastewater line replacement was finished during the year at a cost of $425,000. Miscellaneous Drainage Improvements and Texas Star Slope Wall Phase I were also completed at a cost of $149,000 and $100,000 respectively. The PATS North remodel was also completed in the current fiscal year for a cost of $4.3 million.

- Capital asset additions for the business-type activities include, but are not limited to, purchase of a pressure washer, an engine for super loader/back hoe, tire changer, wheel balancer, and a two-ton mini-split HVAC for the golf course starter house.
- Construction-in-progress related to business-type operations of $10,428,441 primarily consists of the Well Replacement project.

**Capital Assets** (Net of Accumulated Depreciation)

| Amounts shown in 000s | Governmental activities | | Business-type activities | | Total | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | $ 37,237 | $ 35,207 | $ 3,619 | $ 3,619 | $ 40,856 | $ 38,826 |
| Buildings | 38,646 | 32,069 | 1,303 | 1,427 | 39,949 | 33,496 |
| Other improvements | 12,838 | 9,001 | 8,738 | 9,245 | 21,576 | 18,246 |
| M&E | 11,915 | 10,628 | 1,440 | 1,684 | 13,355 | 12,312 |
| Infrastructure | 52,569 | 52,646 | 59,740 | 61,208 | 112,309 | 113,854 |
| Construction in Progress | 26,566 | 30,770 | 10,428 | 7,362 | 36,994 | 38,132 |
| Total | $179,771 | $170,321 | $ 85,268 | $ 84,545 | $265,039 | $254,866 |

Additional information on the City's capital assets can be found in Note 3 on pages 53-54 of this report.

**Long-term debt.** At fiscal year-end, the City's outstanding debt totaled $87,267,916 net of unamortized losses on prior refundings. Of this amount, $64,298,588 comprises debt backed by the full faith and credit of the government, where $5,533,372 is the amount of self-supported debt for Texas Star Golf Course and Stars Center. The remainder of the City's debt, $22,969,328, represents bonds secured solely by specific revenue sources (i.e. revenue bonds).

**Outstanding Debt**

| Amounts shown in 000s | Governmental activities | | Business-type activities | | Total | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| GO Bonds | $ 4,115 | $ 6,040 | $ 3,295 | $ 3,805 | $ 7,410 | $ 9,845 |
| COs | 54,930 | 51,710 | - | - | 54,930 | 51,710 |
| GO/CO deferred loss | (133) | (203) | (278) | (325) | (411) | (528) |
| Tax notes | 2,370 | 1,110 | - | - | 2,370 | 1,110 |
| Revenue bonds | 5,245 | 5,450 | 17,780 | 18,725 | 23,025 | 24,175 |
| Revenue deferred loss | - | - | (56) | (74) | (56) | (74) |
| Totals | $ 66,527 | $ 64,107 | $ 20,741 | $ 22,131 | $ 87,268 | $ 86,238 |

In fiscal year 2021, the City issued $5,360,000 in new certificates of obligation and $1,625,000 in tax notes. No new debt was issued for the City's enterprise operations during the year. The City's total debt increased $1,114,754 (exclusive of deferred losses) or 1.25% during fiscal year 2021 and is attributed to the addition of the new debt less scheduled annual principal payments and annual amortization of premiums and discounts on debt issues.

Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. rates the City's general obligation debt and revenue debt at AA and the water and wastewater revenue debt at AA+. Moody's Investor Service, Inc. rates the general obligation debt and the water and wastewater revenue debt at Aa2 and the sales tax revenue debt at Aa2. Additional information on the City's long-term debt can be found in Note 4 on pages 55-61.

## Economic Factors and Next Year's Budgets and Rates

In the FY2021-22 budget, General Fund revenues and transfers in are budgeted to increase by 10% from the FY2020-21 original budget. Property taxes account for 42% of budgeted revenues and sales taxes comprise approximately 32% of budgeted revenues. Certified assessed valuations as of July 25, 2021 increased 2.76% from the preceding year.

In the FY2021-22 budget, sales tax receipts are projected to show a 2.3% increase from FY2020-21 estimated collections. The car rental tax receipts are budgeted below prior year actual collections due mainly to the timing of budget preparation. By the end of FY2020-21, monthly car rental tax receipts were exceeding pre-pandemic levels and this trend is anticipated to continue into FY2021-22. However, the budget preparation work was completed prior to the upward trend.

Baseline budgeted expenditures in the General Fund are projected to increase approximately 10% from the FY2020-21 original budget. The addition of three firefighters and three police officers are included in the FY2021-22 General Fund budget. The proposed employee pay plan includes a baseline salary increase of 2% as well as funding to provide one-time lump sum payments of up to 3% based on employee performance. The City elected to use excess reserves to fund capital needs. The property tax rate increased from 46.25¢ per $100 of taxable assessed valuation to 47.5¢ per $100 of taxable assessed valuation for FY2021-22.

For the Water and Wastewater Fund, the FY2021-22 budget includes the continuation of the tiered rate structure for residential and irrigation water volume billing. Under the tiered structure, customers pay a graduated volume rate based on varying levels of monthly water consumption. Residential volume rates range from $4.21 to $6.84 per thousand gallons. A wastewater volume charge of $4.34 per thousand gallons applies to all customer classes. Residential wastewater volume charges are capped at a maximum of 12,000 gallons per month. The City maintained annual funding of $1,075,000 for pay-as-you-go capital expenses. Projects include water and wastewater line replacements, replacement of the 1M Water Well, and the expansion of the reclaimed water system.

The Texas Star Golf Course and Conference Centre is a vibrant part of the Euless community. This secluded facility, located in the midst of the Dallas/Fort Worth Metroplex, is well-known for world class golf and a challenging course that has been recognized as a premier municipal facility by leading golf publications, including *Golf* Digest and *Golfweek*. Additionally, Raven's Grille and the Conference Centre continue to receive rave reviews. The Conference Centre has 7,000 square feet of divisible space and hosts business conferences, weddings, concerts, and other events. Proposed revenues of $5,463,868 including ARPA funds of $942,868 and proposed operating expenses of $4,515,970 comprise the FY2021-22 operating budget.

## Request for Information

The financial report is designed to provide citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need additional information, contact the Finance Department, Attn: Janina Jewell, Director of Finance, at 201 North Ector Drive, Euless, Texas 76039, call (817) 685-1626, or e-mail jjewell@eulesstx.gov.

# CITY OF EULESS, TEXAS
# GOVERNMENT-WIDE STATEMENT OF NET POSITION
# SEPTEMBER 30, 2021

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| **ASSETS** | | | |
| Deposits and investments | $ 79,512,079 | $ 24,081,645 | $ 103,593,724 |
| Receivables, net of allowances | 9,714,233 | 4,522,216 | 14,236,449 |
| Internal balances | (4,009,849) | 4,009,849 | - |
| Inventories, at cost | 11,195 | 235,621 | 246,816 |
| Prepaid items | 1,172,244 | 55,738 | 1,227,982 |
| Restricted assets | | | |
| Deposits and investments | 21,254,969 | 5,444,395 | 26,699,364 |
| Capital assets | | | |
| Land and construction in progress | 63,802,876 | 14,046,986 | 77,849,862 |
| Other capital assets, net of accumulated depreciation | 115,967,879 | 71,221,414 | 187,189,293 |
| Total assets | 287,425,626 | 123,617,864 | 411,043,490 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Deferred outflows related to pension | 3,497,967 | 658,048 | 4,156,015 |
| Deferred outflows related to OPEB | 656,287 | 128,952 | 785,239 |
| Deferred charges on refunding | 133,121 | 333,963 | 467,084 |
| Total deferred outflows of resources | 4,287,375 | 1,120,963 | 5,408,338 |
| **LIABILITIES** | | | |
| Accounts payable | 10,497,195 | 2,394,628 | 12,891,823 |
| Contracts payable | 1,606,418 | 248,907 | 1,855,325 |
| Accrued liabilities | 1,693,155 | 192,593 | 1,885,748 |
| Accrued interest payable | 280,947 | 88,094 | 369,041 |
| Unearned revenue | 5,196,973 | 86,206 | 5,283,179 |
| Money held in escrow | - | 2,227,093 | 2,227,093 |
| Noncurrent liabilities | | | |
| Due within one year | 5,165,690 | 1,519,375 | 6,685,065 |
| Due in more than one year | 85,923,520 | 23,703,262 | 109,626,782 |
| Total liabilities | 110,363,898 | 30,460,158 | 140,824,056 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred inflows related to OPEB | 693,397 | 131,044 | 824,441 |
| Deferred inflows related to pension | 5,637,362 | 1,081,541 | 6,718,903 |
| Total deferred inflows of resources | 6,330,759 | 1,212,585 | 7,543,344 |
| **NET POSITION** | | | |
| Net investment in capital assets | 130,459,839 | 64,950,870 | 195,410,709 |
| Restricted for | | | |
| Debt service | 4,316,041 | 1,426,103 | 5,742,144 |
| Impact fees | - | 3,247,897 | 3,247,897 |
| Developer agreements | 2,220,321 | - | 2,220,321 |
| Court technology | 117,674 | - | 117,674 |
| Juvenile cases | 196,357 | - | 196,357 |
| Cable PEG fees | 589,452 | - | 589,452 |
| Historical preservation | 1,245 | - | 1,245 |
| Unrestricted | 37,117,415 | 23,441,214 | 60,558,629 |
| Total net position | $ 175,018,344 | $ 93,066,084 | $ 268,084,428 |

The Notes to the Basic Financial Statements are an integral part of these statements.

# CITY OF EULESS, TEXAS
# GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
# YEAR ENDED SEPTEMBER 30, 2021

| Program Activities | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities | Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities | Net (Expense) Revenue and Changes in Net Position: Primary Government: Total |
|---|---|---|---|---|---|---|---|
| **Primary government** | | | | | | | |
| Governmental activities | | | | | | | |
| Culture and recreation | $ 6,890,021 | $ 295,097 | $ 255 | $ 33,958 | $ (6,560,711) | $ - | $ (6,560,711) |
| Development services | 903,633 | 1,578,146 | - | - | 674,513 | - | 674,513 |
| General and administrative | 20,604,298 | 687,136 | 17,474 | - | (19,899,688) | - | (19,899,688) |
| Highways and streets | 3,905,567 | 982,070 | - | 362,359 | (2,561,138) | - | (2,561,138) |
| Public safety | 27,489,405 | 2,325,458 | 793,092 | - | (24,370,855) | - | (24,370,855) |
| Interest and fiscal agent charges | 2,507,261 | - | - | - | (2,507,261) | - | (2,507,261) |
| Total governmental activities | 62,300,185 | 5,867,907 | 810,821 | 396,317 | (55,225,140) | - | (55,225,140) |
| Business-type activities | | | | | | | |
| Water and wastewater | 24,823,460 | 28,571,921 | - | 992,893 | - | 4,741,354 | 4,741,354 |
| Drainage utility | 1,571,836 | 842,003 | - | 9,500 | - | (720,333) | (720,333) |
| Golf course | 4,201,337 | 4,350,610 | - | - | - | 149,273 | 149,273 |
| Other recreation enterprises | 1,568,441 | 1,433,139 | - | - | - | (135,302) | (135,302) |
| Total business-type activities | 32,165,074 | 35,197,673 | - | 1,002,393 | - | 4,034,992 | 4,034,992 |
| Total primary government | $ 94,465,259 | $ 41,065,580 | $ 810,821 | $ 1,398,710 | (55,225,140) | 4,034,992 | (51,190,148) |
| **General Revenues** | | | | | | | |
| Taxes | | | | | | | |
| Property taxes, levied for general purposes | | | | | 24,195,500 | - | 24,195,500 |
| Sales taxes | | | | | 24,373,082 | - | 24,373,082 |
| Car rental taxes | | | | | 13,062,591 | - | 13,062,591 |
| Mixed beverage taxes | | | | | 171,687 | - | 171,687 |
| Hotel/motel occupancy taxes | | | | | 1,182,845 | - | 1,182,845 |
| Gross receipts taxes | | | | | 4,221,250 | - | 4,221,250 |
| Investment income | | | | | 123,646 | 42,346 | 165,992 |
| Rents and royalties | | | | | 1,574,739 | - | 1,574,739 |
| Miscellaneous | | | | | 1,081,893 | - | 1,081,893 |
| **Transfers** | | | | | 986,638 | (986,638) | - |
| Total general revenues and transfers | | | | | 70,973,871 | (944,292) | 70,029,579 |
| Change in net position | | | | | 15,748,731 | 3,090,700 | 18,839,431 |
| **NET POSITION, beginning of year** | | | | | 159,269,613 | 89,975,384 | 249,244,997 |
| **NET POSITION, end of year** | | | | | $ 175,018,344 | $ 93,066,084 | $ 268,084,428 |

The Notes to the Basic Financial Statements are an integral part of these statements.

**CITY OF EULESS, TEXAS**
**BALANCE SHEET – GOVERNMENTAL FUNDS**
**SEPTEMBER 30, 2021**

| | General Fund | Debt Service Fund | Car Rental Tax Fund |
|---|---|---|---|
| **ASSETS** | | | |
| Deposits and investments | $ 19,342,943 | $ 3,151,225 | $ 10,522,075 |
| Receivables | | | |
| Property taxes | 514,857 | 172,589 | - |
| Accounts receivable | 1,066,579 | - | - |
| Accrued interest receivable | 4,903 | - | 430 |
| Due from other governments | 2,876,481 | - | 2,575,540 |
| Prepaids and deposits | 212,414 | - | - |
| Inventories, at cost | 11,195 | - | - |
| Restricted deposits and investments | - | - | - |
| Total assets | $ 24,029,372 | $ 3,323,814 | $ 13,098,045 |
| **LIABILITIES** | | | |
| Accounts payable | $ 1,150,497 | $ - | $ 8,209,435 |
| Contracts payable | - | - | - |
| Accrued liabilities | 743,527 | - | - |
| Total liabilities | 1,894,024 | - | 8,209,435 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Unavailable revenue - property taxes | 514,857 | 169,615 | - |
| Unavailable revenue - other | 873,737 | - | - |
| Total deferred inflows of resources | 1,388,594 | 169,615 | - |
| **FUND BALANCES** | | | |
| Nonspendable | | | |
| Prepaids, deposits, and inventories | 223,609 | - | - |
| Restricted for | | | |
| Debt service | - | 3,154,199 | - |
| Capital projects | - | - | - |
| Developer agreements | - | - | - |
| Court technology | 117,674 | - | - |
| Juvenile case management | - | - | - |
| Cable PEG fees | - | - | - |
| Historical preservation | - | - | - |
| Assigned | 164,801 | - | 4,888,610 |
| Unassigned | 20,240,670 | - | - |
| Total fund balances | 20,746,754 | 3,154,199 | 4,888,610 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 24,029,372 | $ 3,323,814 | $ 13,098,045 |

The Notes to the Basic Financial Statements are an integral part of these statements.

| Grants Fund | Streets CIP Fund | Non-major Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| $ 5,191,147 | $ 647,905 | $ 20,066,133 | $ 58,921,428 |
| - | - | 57,735 | 745,181 |
| 8,476 | - | 471,617 | 1,546,672 |
| - | 582 | 895 | 6,810 |
| - | - | 1,727,494 | 7,179,515 |
| - | - | 1,086 | 213,500 |
| - | - | - | 11,195 |
| - | 14,101,500 | 6,501,453 | 20,602,953 |
| $ 5,199,623 | $ 14,749,987 | $ 28,826,413 | $ 89,227,254 |
| $ 21 | $ 418,702 | $ 407,214 | $ 10,185,869 |
| - | 777,061 | 829,357 | 1,606,418 |
| 1,642 | - | 100,947 | 846,116 |
| 1,663 | 1,195,763 | 1,337,518 | 12,638,403 |
| - | - | - | 684,472 |
| 5,196,973 | - | 4,520 | 6,075,230 |
| 5,196,973 | - | 4,520 | 6,759,702 |
| - | - | 1,086 | 224,695 |
| - | - | 1,161,842 | 4,316,041 |
| - | 13,324,439 | 5,672,096 | 18,996,535 |
| - | - | 2,220,321 | 2,220,321 |
| - | - | - | 117,674 |
| - | - | 196,357 | 196,357 |
| - | - | 589,452 | 589,452 |
| - | - | 1,245 | 1,245 |
| 987 | 229,785 | 17,641,976 | 22,926,159 |
| - | - | - | 20,240,670 |
| 987 | 13,554,224 | 27,484,375 | 69,829,149 |
| $ 5,199,623 | $ 14,749,987 | $ 28,826,413 | $ 89,227,254 |

THE CITY OF
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**CITY OF EULESS, TEXAS**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**
**SEPTEMBER 30, 2021**

| | |
|---|---|
| Total fund balances - governmental funds | $ 69,829,149 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets of governmental funds are not current financial resources and therefore are not reported in the governmental funds balance sheet. | 173,923,842 |
| Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the governmental funds balance sheet. | (280,947) |
| Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are net of the amount allocated to business-type activities. | 23,109,604 |
| Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements. | 1,562,729 |
| Funds comprising the OPEB liability ($9,021,829), deferred inflows ($693,397) and deferred outflows $656,287 of resources related to the OPEB are not current financial resources and therefore are not reported in the governmental funds balance sheet. | (9,058,939) |
| Funds comprising the net pension liability ($10,905,541), deferred inflows ($5,637,362) and deferred outflows $3,497,967 of resources related to the pension are not current financial resources and therefore, are not reported in the governmental funds balance sheet. | (13,044,936) |
| Long-term liabilities, including bonds payable, deferred charges on refundings, and compensated absences (excluding those of internal service funds) are not due and payable in the current period and therefore, are not reported in the fund financial statements. | (71,022,158) |
| Net position of governmental activities | $ 175,018,344 |

The Notes to the Basic Financial Statements
are an integral part of these statements.

# CITY OF EULESS, TEXAS
# STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
# YEAR ENDED SEPTEMBER 30, 2021

| | General Fund | Debt Service Fund | Car Rental Tax Fund |
|---|---|---|---|
| **Revenues** | | | |
| General property tax | $ 18,192,851 | $ 4,063,262 | $ - |
| Gross receipts tax | 4,131,593 | - | - |
| Mixed beverage tax | 171,687 | - | - |
| General sales tax | 14,829,385 | - | - |
| Car rental tax | - | - | 13,062,591 |
| Fines and fees | 2,702,221 | - | - |
| Licenses and permits | 1,552,088 | - | - |
| Investment income | 62,639 | 2,130 | 6,447 |
| DEA revenues | - | - | - |
| Intergovernmental | 431,328 | - | - |
| Rents and royalties | - | 538,000 | - |
| Other revenues | 1,058,324 | - | - |
| Total revenues | 43,132,116 | 4,603,392 | 13,069,038 |
| **Expenditures** | | | |
| Current | | | |
| Culture and recreation | 3,110,410 | - | - |
| Development services | 679,551 | - | - |
| General and administrative | 10,599,479 | - | 8,699,147 |
| Highways and streets | 1,180,954 | - | - |
| Public safety | 26,195,908 | - | - |
| Debt service | | | |
| Principal | - | 4,430,000 | - |
| Interest and fiscal charges | - | 2,272,662 | - |
| Capital outlay | 273,277 | - | 53,558 |
| Total expenditures | 42,039,579 | 6,702,662 | 8,752,705 |
| Excess (deficiency) of revenues over (under) expenditures | 1,092,537 | (2,099,270) | 4,316,333 |
| **Other financing sources (uses)** | | | |
| Issuance of debt | - | 1,625,000 | - |
| Premiums on issuance of debt | - | 261,414 | - |
| Proceeds from sale of assets | 16,400 | - | - |
| Transfers in | 2,246,496 | 2,385,756 | - |
| Transfers out | (2,827,185) | (1,695,000) | (1,617,990) |
| Total other financing sources (uses) | (564,289) | 2,577,170 | (1,617,990) |
| Net change in fund balances | 528,248 | 477,900 | 2,698,343 |
| **Fund balances, beginning of year** | 20,218,506 | 2,676,299 | 2,190,267 |
| **Fund balances, end of year** | $ 20,746,754 | $ 3,154,199 | $ 4,888,610 |

The Notes to the Basic Financial Statements are an integral part of these statements.

| Grants Fund | Streets CIP Fund | Non-major Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| $ - | $ - | $ 1,888,580 | $ 24,144,693 |
| - | - | 1,272,502 | 5,404,095 |
| - | - | - | 171,687 |
| - | - | 9,543,698 | 24,373,083 |
| - | - | - | 13,062,591 |
| - | - | - | 2,702,221 |
| - | - | - | 1,552,088 |
| - | 7,646 | 24,308 | 103,170 |
| - | - | 117,144 | 117,144 |
| 361,763 | - | - | 793,091 |
| - | - | 173,814 | 711,814 |
| - | - | 1,067,204 | 2,125,528 |
| 361,763 | 7,646 | 14,087,250 | 75,261,205 |
| 20,454 | - | 2,989,506 | 6,120,370 |
| - | - | 245,368 | 924,919 |
| - | - | 582,937 | 19,881,563 |
| - | - | - | 1,180,954 |
| 174,940 | - | 2,163,966 | 28,534,814 |
| - | - | 205,000 | 4,635,000 |
| - | - | 189,725 | 2,462,387 |
| 191,756 | 4,930,534 | 9,430,282 | 14,879,407 |
| 387,150 | 4,930,534 | 15,806,784 | 78,619,414 |
| (25,387) | (4,922,888) | (1,719,534) | (3,358,209) |
| - | 5,360,000 | - | 6,985,000 |
| - | 140,000 | - | 401,414 |
| - | - | 4,125 | 20,525 |
| 25,963 | 1,000,000 | 2,535,728 | 8,193,943 |
| - | - | (3,018,130) | (9,158,305) |
| 25,963 | 6,500,000 | (478,277) | 6,442,577 |
| 576 | 1,577,112 | (2,197,811) | 3,084,368 |
| 411 | 11,977,112 | 29,682,186 | 66,744,781 |
| $ 987 | $ 13,554,224 | $ 27,484,375 | $ 69,829,149 |

THE CITY OF
EULESS

# CITY OF EULESS, TEXAS
# RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
# YEAR ENDED SEPTEMBER 30, 2021

| | |
|---|---|
| Net change in fund balances - total governmental funds | $ 3,084,368 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount of capital expenditures recorded in the current period. | 14,879,407 |
| Governmental funds report cash proceeds from the disposal of capital assets as revenues, while only the net gain/loss on the transaction is reported in the statement of activities and capital contributions are not reported in governmental funds. This is the amount of capital contributions and disposals recorded in the current period. | 339,635 |
| Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expenses are not reported as expenditures in the governmental funds. | (6,036,159) |
| The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. | (7,386,414) |
| The repayment of the principal of long-term debt consumes current financial resources of governmental funds, but has no effect on net position. | 4,635,000 |
| Governmental funds report the effect of premiums, discounts, and deferred charges on refunding when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. | 94,624 |
| Current year changes in the long-term liabilities for compensated absences do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. | 49,229 |
| Current year changes in accrued interest payables do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. | (44,875) |
| Changes in the OPEB liability and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual basis are recognized on the accrual basis in the government-wide financial statements. | 223,813 |
| Changes in the net pension liability and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual basis are recognized on the accrual basis in the government-wide financial statements. | 2,970,786 |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities net of the amount allocated to business-type activities. | 2,595,708 |
| Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. | 343,609 |
| Change in net position of governmental activities | $ 15,748,731 |

The Notes to the Basic Financial Statements
are an integral part of these statements.

# CITY OF EULESS, TEXAS
# STATEMENT OF NET POSITION – PROPRIETARY FUNDS
# SEPTEMBER 30, 2021

| ASSETS | Business-Type Activities - Enterprise Funds: Water and Wastewater | Drainage Utility | Golf Course | Other Recreation Enterprises | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| Current assets | | | | | | |
| Deposits and investments | $ 19,985,831 | $ 1,392,003 | $ 1,397,974 | $ 1,305,837 | $ 24,081,645 | $ 20,590,651 |
| Accounts receivable and unbilled revenue less allowance for uncollectibles of $16,146 for water and wastewater and $282 for drainage utility | 4,200,046 | 99,325 | 200,612 | 14,840 | 4,514,823 | 232,468 |
| Accrued interest receivable | 7,393 | - | - | - | 7,393 | 3,587 |
| Prepaids and deposits | 46,274 | - | 8,448 | 1,016 | 55,738 | 958,744 |
| Inventory | 134,810 | - | 87,546 | 13,265 | 235,621 | - |
| Total unrestricted current assets | 24,374,354 | 1,491,328 | 1,694,580 | 1,334,958 | 28,895,220 | 21,785,450 |
| Restricted deposits and investments | | | | | | |
| W&WW impact fees | 3,247,897 | - | - | - | 3,247,897 | - |
| Capital projects | 770,395 | - | - | - | 770,395 | 652,016 |
| Revenue bond reserve for debt service | 1,426,103 | - | - | - | 1,426,103 | - |
| Total restricted assets | 5,444,395 | - | - | - | 5,444,395 | 652,016 |
| Total current assets | 29,818,749 | 1,491,328 | 1,694,580 | 1,334,958 | 34,339,615 | 22,437,466 |
| Property, plant, and equipment in service, at cost | | | | | | |
| Land | 1,576,667 | 559,826 | 897,520 | 584,532 | 3,618,545 | - |
| Building | 97,094 | - | 3,621,666 | 488,275 | 4,207,035 | - |
| Equipment | 1,604,377 | 10,380 | 521,774 | 1,658,791 | 3,795,322 | 16,039,445 |
| Improvements | 1,097,774 | 1,171,994 | 8,963,462 | 10,043,393 | 21,276,623 | - |
| Construction in progress | 10,428,441 | - | - | - | 10,428,441 | - |
| Utility system | 96,005,162 | 28,803,352 | - | - | 124,808,514 | - |
| Total property, plant, and equipment in service | 110,809,515 | 30,545,552 | 14,004,422 | 12,774,991 | 168,134,480 | 16,039,445 |
| Less accumulated depreciation | 50,280,219 | 17,344,212 | 8,659,753 | 6,581,896 | 82,866,080 | 10,192,532 |
| Net property, plant, and equipment in service | 60,529,296 | 13,201,340 | 5,344,669 | 6,193,095 | 85,268,400 | 5,846,913 |
| Total non-current assets | 60,529,296 | 13,201,340 | 5,344,669 | 6,193,095 | 85,268,400 | 5,846,913 |
| Total assets | 90,348,045 | 14,692,668 | 7,039,249 | 7,528,053 | 119,608,015 | 28,284,379 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | | |
| Deferred outflows related to pension | 496,520 | 51,681 | 93,229 | 16,618 | 658,048 | - |
| Deferred outflows related to OPEB | 94,867 | 12,098 | 18,846 | 3,141 | 128,952 | - |
| Deferred charges on refunding | 55,672 | - | 278,291 | - | 333,963 | - |
| Total deferred outflows of resources | 647,059 | 63,779 | 390,366 | 19,759 | 1,120,963 | - |

The Notes to the Basic Financial Statements are an integral part of these statements.

# CITY OF EULESS, TEXAS
# STATEMENT OF NET POSITION – PROPRIETARY FUNDS – CONTINUED
# SEPTEMBER 30, 2021

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities - |
|---|---|---|---|---|---|---|
| **LIABILITIES** | **Water and Wastewater** | **Drainage Utility** | **Golf Course** | **Other Recreation Enterprises** | **Total Enterprise Funds** | **Internal Service Funds** |
| Current liabilities | | | | | | |
| Payable from current assets | | | | | | |
| Accounts payable | $ 2,275,900 | $ 9,181 | $ 62,480 | $ 47,067 | $ 2,394,628 | $ 311,326 |
| Contracts payable | 248,907 | - | - | - | 248,907 | - |
| Accrued salaries and wages | 110,574 | 15,008 | 57,501 | 9,510 | 192,593 | 4,196 |
| Current portion of bonds payable | 945,000 | - | 520,000 | - | 1,465,000 | - |
| Current portion of compensated absences | 26,492 | 2,241 | 7,001 | 1,025 | 36,759 | 656 |
| Accrued insurance claims | - | - | - | - | - | 842,843 |
| Unearned revenue | - | - | 86,206 | - | 86,206 | - |
| Accrued interest | 78,534 | - | 9,560 | - | 88,094 | - |
| Total current liabilities | 3,685,407 | 26,430 | 742,748 | 57,602 | 4,512,187 | 1,159,021 |
| Non-current liabilities | | | | | | |
| Customer and escrow deposits | 2,093,337 | - | 133,756 | - | 2,227,093 | - |
| Net pension liability | 1,548,121 | 132,179 | 271,888 | 46,283 | 1,998,471 | - |
| Net OPEB liability | 1,246,754 | 137,092 | 256,930 | 42,822 | 1,683,598 | - |
| Bonds payable | 16,819,566 | - | 2,888,415 | - | 19,707,981 | - |
| Compensated absences | 238,424 | 20,171 | 63,010 | 9,223 | 330,828 | 5,905 |
| Total non-current liabilities | 21,946,202 | 289,442 | 3,613,999 | 98,328 | 25,947,971 | 5,905 |
| Total liabilities | 25,631,609 | 315,872 | 4,356,747 | 155,930 | 30,460,158 | 1,164,926 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Deferred inflows related to pensions | 790,039 | 103,372 | 161,254 | 26,876 | 1,081,541 | - |
| Deferred inflows related to OPEB | 94,902 | 13,057 | 19,787 | 3,298 | 131,044 | - |
| Total deferred inflows of resources | 884,941 | 116,429 | 181,041 | 30,174 | 1,212,585 | - |
| **NET POSITION** | | | | | | |
| Net investment in capital assets | 43,341,890 | 13,201,340 | 2,214,545 | 6,193,095 | 64,950,870 | 6,498,929 |
| Restricted for | | | | | | |
| Impact fees | 3,247,897 | - | - | - | 3,247,897 | - |
| Debt service | 1,426,103 | - | - | - | 1,426,103 | - |
| Unrestricted | 16,462,664 | 1,122,806 | 677,282 | 1,168,613 | 19,431,365 | 20,620,524 |
| Total net position | $ 64,478,554 | $ 14,324,146 | $ 2,891,827 | $ 7,361,708 | 89,056,235 | $ 27,119,453 |
| Reconciliation to government-wide statement of net position | | | | | | |
| Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds | | | | | 4,009,849 | |
| Net position of business-type activities | | | | | $ 93,066,084 | |

The Notes to the Basic Financial Statements are an integral part of these statements.

# CITY OF EULESS, TEXAS
# STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
# YEAR ENDED SEPTEMBER 30, 2021

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities - |
|---|---|---|---|---|---|---|
| | Water and Wastewater | Drainage Utility | Golf Course | Other Recreation Enterprises | Total Enterprise Funds | Internal Service Funds |
| Operating revenues | | | | | | |
| Water service | $ 15,217,265 | $ - | $ - | $ - | $ 15,217,265 | $ - |
| Reclaimed water service | 696,759 | - | - | - | 696,759 | - |
| Wastewater service | 10,372,836 | - | - | - | 10,372,836 | - |
| Drainage fees | - | 842,003 | - | - | 842,003 | - |
| Recreation fees | - | - | - | 323,109 | 323,109 | - |
| Insurance premiums | - | - | - | - | - | 6,702,736 |
| Service fees and miscellaneous | 2,287,992 | - | 4,347,010 | 1,109,630 | 7,744,632 | 3,637,605 |
| Total operating revenues | 28,574,852 | 842,003 | 4,347,010 | 1,432,739 | 35,196,604 | 10,340,341 |
| Operating expenses | | | | | | |
| General and administrative | 506,121 | - | - | - | 506,121 | 2,315,629 |
| Water production | 8,751,434 | - | - | - | 8,751,434 | - |
| Water distribution | 1,382,230 | - | - | - | 1,382,230 | - |
| Utility engineering | 369,771 | - | - | - | 369,771 | - |
| Wastewater collection and treatment | 5,477,052 | - | - | - | 5,477,052 | - |
| Nondepartmental | 3,780,293 | - | - | - | 3,780,293 | - |
| Geographic information systems | 672,916 | - | - | - | 672,916 | - |
| Service center | 1,182,479 | - | - | - | 1,182,479 | - |
| Drainage | - | 736,677 | - | - | 736,677 | - |
| Recreation classes | - | - | - | 281,161 | 281,161 | - |
| Golf course | - | - | 1,338,096 | - | 1,338,096 | - |
| Pro shop | - | - | 468,467 | - | 468,467 | - |
| Food and beverage | - | - | 1,254,095 | - | 1,254,095 | - |
| Conference center | - | - | 403,459 | - | 403,459 | - |
| Cart operations | - | - | 229,470 | - | 229,470 | - |
| Parks at Texas Star | - | - | - | 845,350 | 845,350 | - |
| Insurance costs | - | - | - | - | - | 6,306,389 |
| Depreciation | 2,270,442 | 805,589 | 401,704 | 458,069 | 3,935,804 | 1,473,356 |
| Amortization | 19,843 | - | 27,480 | - | 47,323 | - |
| Total operating expenses | 24,412,581 | 1,542,266 | 4,122,771 | 1,584,580 | 31,662,198 | 10,095,374 |
| Operating income (loss) | 4,162,271 | (700,263) | 224,239 | (151,841) | 3,534,406 | 244,967 |

The Notes to the Basic Financial Statements are an integral part of these statements.

# CITY OF EULESS, TEXAS
# STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS – CONTINUED
# YEAR ENDED SEPTEMBER 30, 2021

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities - |
|---|---|---|---|---|---|---|
| | Water and Wastewater | Drainage Utility | Golf Course | Other Recreation Enterprises | Total Enterprise Funds | Internal Service Funds |
| Nonoperating revenues (expenses) | | | | | | |
| Gain (loss) on sale of capital assets | $ (2,931) | $ - | $ 3,600 | $ 400 | $ 1,069 | $ 231,775 |
| Investment income | 40,779 | 630 | 458 | 479 | 42,346 | 20,475 |
| Interest expense | (273,172) | - | (82,213) | - | (355,385) | - |
| Total nonoperating revenues (expenses), net | (235,324) | 630 | (78,155) | 879 | (311,970) | 252,250 |
| Income (loss) before contributions and transfers | 3,926,947 | (699,633) | 146,084 | (150,962) | 3,222,436 | 497,217 |
| Developer contributions | 992,893 | 9,500 | - | - | 1,002,393 | - |
| Transfers in | - | - | 441,868 | - | 441,868 | 2,207,000 |
| Transfers out | (1,642,465) | (42,041) | - | - | (1,684,506) | - |
| Net income (loss) | 3,277,375 | (732,174) | 587,952 | (150,962) | 2,982,191 | 2,704,217 |
| Net position, beginning | 61,201,179 | 15,056,320 | 2,303,875 | 7,512,670 | | 24,415,236 |
| Net position, end of year | $ 64,478,554 | $ 14,324,146 | $ 2,891,827 | $ 7,361,708 | | $ 27,119,453 |
| Reconciliation to government-wide statement of net position | | | | | | |
| Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds | | | | | 108,509 | |
| Change in net position of business-type activities | | | | | $ 3,090,700 | |

The Notes to the Basic Financial Statements are an integral part of these statements.

# CITY OF EULESS, TEXAS
# STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
# YEAR ENDED SEPTEMBER 30, 2021

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities - |
|---|---|---|---|---|---|---|
| | Water and Wastewater | Drainage Utility | Golf Course | Other Recreation Enterprises | Total Enterprise Funds | Internal Service Funds |
| **OPERATING ACTIVITIES** | | | | | | |
| Cash received from customers | $ 28,111,619 | $ 833,033 | $ 4,292,035 | $ 1,424,218 | $ 34,660,905 | $ 10,260,366 |
| Cash payments to suppliers for goods and services | (20,363,839) | (332,790) | (2,120,919) | (743,266) | (23,560,814) | (9,420,864) |
| Cash payments to employees for services | (3,483,523) | (448,741) | (1,708,966) | (365,031) | (6,006,261) | (136,107) |
| Net cash provided by operating activities | 4,264,257 | 51,502 | 462,150 | 315,921 | 5,093,830 | 703,395 |
| **NONCAPITAL FINANCING ACTIVITIES** | | | | | | |
| Transfer in | - | - | 441,868 | - | 441,868 | 2,207,000 |
| Transfer out | (1,642,465) | (42,041) | - | - | (1,684,506) | - |
| Net cash provided by (used in) noncapital financing activities | (1,642,465) | (42,041) | 441,868 | - | (1,242,638) | 2,207,000 |
| **CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | | |
| Impact fees | 456,687 | - | - | - | 456,687 | - |
| Acquistion/construction of capital assets | (4,489,517) | (158,596) | (13,796) | - | (4,661,909) | (1,739,822) |
| Interest paid on bonds | (274,924) | - | (84,125) | - | (359,049) | - |
| Principal paid on bonds | (945,000) | - | (510,000) | - | (1,455,000) | - |
| Capital grant and developer contributions | 536,206 | 9,500 | - | - | 545,706 | - |
| Proceeds from sale of capital assets | - | - | 3,602 | 398 | 4,000 | 231,775 |
| Net cash provided by (used in) capital and related financing activities | (4,716,548) | (149,096) | (604,319) | 398 | (5,469,565) | (1,508,047) |
| **INVESTING ACTIVITIES** | | | | | | |
| Interest received on investments | 50,329 | 630 | 458 | 479 | 51,896 | 24,937 |
| Net cash provided by investing activities | 50,329 | 630 | 458 | 479 | 51,896 | 24,937 |
| Net change in cash and cash equivalents | (2,044,427) | (139,005) | 300,157 | 316,798 | (1,566,477) | 1,427,285 |
| Cash and cash equivalents, beginning of year | 27,474,653 | 1,531,008 | 1,097,817 | 989,039 | 31,092,517 | 19,815,382 |
| Cash and cash equivalents, end of year | $ 25,430,226 | $ 1,392,003 | $ 1,397,974 | $ 1,305,837 | $ 29,526,040 | $ 21,242,667 |

The Notes to the Basic Financial Statements are an integral part of these statements.

# CITY OF EULESS, TEXAS
# STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – CONTINUED
# YEAR ENDED SEPTEMBER 30, 2021

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Water and Wastewater | Drainage Utility | Golf Course | Other Recreation Enterprises | Total Enterprise Funds | |
| **Reconciliation of operating income (loss) to net cash provided by operating activities** | | | | | | |
| Operating income (loss) | $ 4,162,271 | $ (700,263) | $ 224,239 | $ (151,841) | $ 3,534,406 | $ 244,967 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | | | |
| Depreciation and amortization | 2,290,285 | 805,589 | 429,184 | 458,069 | 3,983,127 | 1,473,356 |
| Changes in assets and liabilities: | | | | | | |
| Accounts receivable and unbilled revenue | (543,868) | (8,970) | (77,471) | (8,521) | (638,830) | (79,975) |
| Prepaids and deposits | (44,541) | - | 5,647 | (1,016) | (39,910) | (958,744) |
| Inventory | (18,714) | - | 9,348 | (570) | (9,936) | - |
| Net OPEB liability | (147,634) | (19,597) | (31,356) | (5,226) | (203,813) | - |
| Net pension liability | (380,897) | (50,562) | (80,899) | (13,483) | (525,841) | - |
| Deferred outflows | 11,192 | 521 | 2,455 | 408 | 14,576 | - |
| Deferred inflows | 82,415 | 13,835 | 18,804 | 3,135 | 118,189 | - |
| Accounts payable | (1,229,442) | 4,475 | (99,725) | 29,387 | (1,295,305) | (178,632) |
| Accrued salaries and wages | 19,874 | 2,993 | 37,826 | 3,638 | 64,331 | 1,423 |
| Accrued insurance claims | - | - | - | - | - | 201,000 |
| Compensated absences | (17,319) | 3,481 | 1,602 | 1,941 | (10,295) | - |
| Customer and escrow deposits | 80,635 | - | 23,253 | - | 103,888 | - |
| Unearned revenue | - | - | (757) | - | (757) | - |
| **Net cash provided by operating activities** | $ 4,264,257 | $ 51,502 | $ 462,150 | $ 315,921 | $ 5,093,830 | $ 703,395 |
| **Reconciliation of cash to balance sheet:** | | | | | | |
| Cash - current | $ 19,985,831 | $ 1,392,003 | $ 1,397,974 | $ 1,305,837 | $ 24,081,645 | $ 20,590,651 |
| Cash - restricted | 5,444,395 | - | - | - | 5,444,395 | 652,016 |
| Cash and cash equivalents | $ 25,430,226 | $ 1,392,003 | $ 1,397,974 | $ 1,305,837 | $ 29,526,040 | $ 21,242,667 |

The Notes to the Basic Financial Statements are an integral part of these statements.

**CITY OF EULESS, TEXAS**
**STATEMENT OF NET POSITION – FIDUCIARY FUNDS**
**SEPTEMBER 30, 2021**

| | Stars Center Escrow Custodial Fund | OPEB Trust Fund |
|---|---|---|
| **ASSETS** | | |
| Investments at fair value | | |
| Investment pool | $ 1,420,629 | $ - |
| Money market account | - | 127,860 |
| Fixed income funds | - | 4,029,805 |
| Equity funds | - | 6,864,776 |
| Total assets | $ 1,420,629 | $ 11,022,441 |
| **LIABILITIES** | | |
| Refunds payable | $ 82 | $ - |
| Total liabilities | 82 | - |
| **NET POSITION** | | |
| Restricted for | | |
| Debt service | 1,420,547 | - |
| Other post-employment benefits | - | 11,022,441 |
| Total net position | $ 1,420,547 | $ 11,022,441 |

The Notes to the Basic Financial Statements
are an integral part of these statements.

**CITY OF EULESS, TEXAS**
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Stars Center Escrow Custodial Fund | OPEB Trust Fund |
|---|---|---|
| **ADDITIONS** | | |
| Employer contributions | $ - | $ 1,515,094 |
| Other contributions | - | 281,524 |
| Investment income | | |
| Investment income | 673 | 1,682,549 |
| Less: investment expense | - | (64,001) |
| Net investment income | 673 | 1,618,548 |
| Total additions | 673 | 3,415,166 |
| **DEDUCTIONS** | | |
| Payments to beneficiaries | 673 | - |
| Insurance claims | - | 955,297 |
| Administrative expenses | - | 140,970 |
| Total deductions | 673 | 1,096,267 |
| Change in net position | - | 2,318,899 |
| Net position - beginning of year | - | 8,703,542 |
| Cumulative effect of adoption of GASB 84 | 1,420,547 | - |
| Net position - beginning of year, as restated | 1,420,547 | 8,703,542 |
| Net position - ending | $ 1,420,547 | $ 11,022,441 |

The Notes to the Basic Financial Statements
are an integral part of these statements.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### General Statement

The City of Euless (the City) was incorporated on February 24, 1953. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: general government, police and fire protection, emergency ambulance service, road and traffic signal maintenance, water and wastewater operations, drainage system, parks and recreational facilities, courts, library services, planning land use, building inspection, and traffic control.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*.

The more significant accounting policies of the City are described as follows:

### Financial Reporting Entity

As required by GAAP, these basic financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. The blended component units, although legally separate entities, are, in substance, part of the primary government's operations. As such, data from these units is combined with data of the primary government.

#### Blended Component Units

The City includes four component units in the financial statements. The Euless Development Corporation (Corporation) is used to account for the accumulation of half-cent sales tax proceeds dedicated to building and improving City parks and facilities, enhancing library services, and stimulating economic development activities within the City. The Euless Crime Control and Prevention District (District) is used to account for the accumulation and use of quarter-cent sales tax proceeds dedicated for crime reduction programs. The Corporation and the District are reported as special revenue funds of the primary government. The Boards of Directors of both component units are substantively the same as the City Council. There are seven directors on each board, four of whom are council members which constitutes a voting majority of the City Council. The remaining three board members are residents of the City.

Upon dissolution of the Corporation or the District, the entity's assets will be distributed to the City. Each component unit provides all of its services to the City. The financial statements for the units were obtained from the respective Boards of Directors. Financial information for both entities may be obtained from the City.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Financial Reporting Entity – Continued

#### Blended Component Units – Continued

The Tax Increment Reinvestment Zone #3 – Glade Parks (TIRZ #3) is also a blended component unit of the City and is reflected in the financial statements as a special revenue fund. TIRZ #3 was created to stimulate development and enhance the value of taxable real property within the boundaries of the zone. Tarrant County and Tarrant County College District are taxing entities participating in TIRZ #3. The Board of Directors of TIRZ #3 is substantially the same as the City Council and management of the City has operational responsibility for TIRZ #3. The Board is comprised of seven directors, four of whom are council members which constitutes a voting majority of the Board. The remaining three board members are representatives selected by the other participating taxing entities and the Tarrant County Hospital District. Financial information for TIRZ #3 may be obtained from the City.

The Tax Increment Reinvestment Zone #4 – Midtown (TIRZ #4) is also a blended component unit of the City and is reflected in the financial statements as a special revenue fund. The Midtown CIP Fund is also part of TIRZ#4. TIRZ #4 was created to stimulate development and enhance the value of taxable real property within the boundaries of the zone. Tarrant County, Tarrant County Hospital District, and Tarrant County College District are taxing entities participating in TIRZ #4. The Board of Directors of TIRZ #4 is substantially the same as the City Council and management of the City has operational responsibility for TIRZ #4. The Board is comprised of seven directors, four of whom are council members which constitutes a voting majority of the Board. The remaining three board members are representatives selected by the other participating taxing entities. Financial information for TIRZ #4 may be obtained from the City.

### Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City, except fiduciary funds. The effect of interfund activity, with the exception of interfund services provided or used, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Basis of Presentation – Continued

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate compliance with various legal provisions. Separate statements are presented for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses, and balances of current financial resources. The City has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from property taxes levied by the City. The fund balance of the Debt Service Fund is restricted for debt service expenditures.

Car Rental Tax Fund

The Car Rental Tax Fund is used to account for revenues received from the collection of short-term motor vehicle rental taxes and the expenditures thereof. Per contractual agreement, revenues are shared with the cities of Dallas and Fort Worth. The City's portion of the revenue is used primarily for debt reduction, one-time capital projects, and to maintain the property tax rate.

Grant Fund

The Grant Fund is used to account for grant revenues received by the City, which must be spent in accordance with grant provisions.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Basis of Presentation – Continued

Streets CIP Fund

The Streets CIP Fund is used to account for street construction and reconstruction projects and the means of financing such improvements.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the statement of net position. The City has presented the following major proprietary funds:

Water and Wastewater Fund

Water and Wastewater Fund is used to account for the acquisition, operation and maintenance of a municipal water and wastewater utility, supported primarily by user charges.

Drainage Utility Fund

Drainage Utility Fund is used to account for the acquisition, operation, and maintenance of a municipal drainage utility, supported primarily by user charges.

Golf Course Fund

Golf Course Fund is used to account for operation and maintenance of the City's golf course, supported primarily by user charges.

Other Recreation Enterprises Fund

Other Recreation Enterprises Fund is used to account for operations and maintenance of recreation programming, Arbor Daze, and the Parks at Texas Star, supported by user charges.

Additionally, the City reports the Internal Service Funds which are used to account for equipment replacement, risk management, and self-funded health insurance coverage and disability insurance provided to employees of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies, and depreciation on capital assets.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Basis of Presentation – Continued

The City also reports two fiduciary funds in the financial statements. The Stars Center Escrow Custodial Fund is a custodial fund that accounts for investments that will be held on behalf of the Dallas Stars until the debt issued for the specific purpose of purchasing the Stars Center is fully repaid. The OPEB Trust Fund accounts for the accumulation and use of resources for benefit payments related to post-employment health care.

Custodial funds account for resources held for others in a custodial capacity. This fund type is used to account for assets held by the City as an agent. This fund was previously reported as an agency fund. The fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Reporting is oriented toward providing accountability for the sources, uses, and balances of resources held for others; therefore, the additions and deductions in fiduciary balances are reported. With this measurement focus, assets and liabilities which are due and payable associated with the operation of these funds are included on the funds' statements of net position. The funds' equity is segregated into restricted net position and unrestricted net position, if applicable.

### Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred inflows/outflows of resources, and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases and decreases in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water, wastewater, and drainage services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes and other revenues as available if they are collected within 60 days of year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and other long-term liabilities are recorded only when payment is due.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Measurement Focus and Basis of Accounting – Continued

The significant revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income, and intergovernmental revenues. Sales taxes and short-term motor vehicle rental taxes collected and held by the state at year end on behalf of the City are also recognized as revenue. All other governmental fund revenues are recognized when received.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

### Deposits and Investments

Substantially all operating cash, deposits, and short-term investments are maintained in consolidated cash accounts or individual fund investment accounts. Related interest income is allocated to the various funds based primarily on ownership by each fund of specific investments. Cash equivalents consist of highly-liquid investments with original maturities of three months or less.

For purposes of the statement of cash flows, the City considers all highly liquid investments to be cash equivalents.

Investments in U.S. Treasury and agency obligations with maturities of one year or less when purchased are reported at amortized cost. All other investments are reported at fair value.

State statutes authorize the City to invest in obligations of the U.S. Government or its agencies; obligations of the State of Texas or its agencies; and certain other obligations, repurchase agreements, money market mutual funds, and certificates of deposits within established criterion.

### Property Taxes

Property taxes are levied for appropriation for the fiscal year beginning on October 1, are due October 1, attach as an enforceable lien on property as of January 1, and become delinquent on February 1. Property taxes are accrued based on the period for which they are levied and available. Delinquent taxes estimated not to be available are treated as deferred inflows of resources. Property taxes for cities, including those applicable to debt service, are limited by the Texas Constitution to $2.50 per $100 of assessed valuation. The City's current tax rate is $0.4625 per $100 of assessed valuation ($0.4625 per $100 last year) and assessed valuation is approximately 100% of estimated value.

### Inventories

Inventories, which are recognized as expenditures/expenses as consumed, are stated at cost (first-in, first-out method) for the General Fund, Enterprise Funds and Internal Service funds.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Inventories – Continued

Inventories consist primarily of expendable supplies for the General Fund and Internal Service funds and merchandise for resale for the Enterprise Funds.

### Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and are recognized as expenditures utilizing the consumption method.

### Transactions Between Funds

Interfund services provided and used are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as a reduction of expenditures or expenses in the fund reimbursed. All other interfund transactions are recorded as transfers.

### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

| | |
|---|---|
| Buildings | 33 1/3 years |
| Water and wastewater system | 33 1/3 years |
| Storm drainage system | 33 1/3 years |
| Infrastructure | 7 - 40 years |
| Machinery and equipment | 5 - 15 years |
| Improvements | 25 years |

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Compensated Absences

Employees may accumulate a maximum of two times their annual vacation accrual. The City's policy is to pay the employee accumulated vacation upon termination. The City does not pay employees for accumulated sick leave upon termination. The short-term portion of vacation pay accrued in the proprietary fund financial statements is reported as accrued salaries and wages (a current liability). The long-term component is reflected in non-current liabilities as compensated absences. Compensated absences are recorded in governmental funds as they mature (i.e. as taken). The liability for governmental fund compensated absences is typically liquidated in the general fund, the juvenile case fund, the half-penny sales tax fund, and the crime control and prevention district fund.

### Fund Balance Classifications

Fund balances are classified as follows on the governmental fund financial statements:

| | Reported in | | | | | | |
|---|---|---|---|---|---|---|---|
| | General Fund | Debt Service Fund | Car Rental Tax Fund | Grant Fund | Streets CIP Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| Nonspendable | $ 223,609 | $ - | $ - | $ - | $ - | $ 1,086 | $ 224,695 |
| Restricted for | | | | | | | |
| Debt service | - | 3,154,199 | - | - | - | 1,161,842 | 4,316,041 |
| Capital projects | - | - | - | - | 13,324,439 | 5,672,096 | 18,996,535 |
| Developer agreements | - | - | - | - | - | 2,220,321 | 2,220,321 |
| Court technology | 117,674 | - | - | - | - | - | 117,674 |
| Juvenile case processing | - | - | - | - | - | 196,357 | 196,357 |
| Cable PEG fees | - | - | - | - | - | 589,452 | 589,452 |
| Historical preservation | - | - | - | - | - | 1,245 | 1,245 |
| Assigned | | | | | | | |
| Capital projects | - | - | - | - | 229,785 | 4,897,369 | 5,127,154 |
| Betterments | 76,977 | - | - | - | - | - | 76,977 |
| Emergency/radio systems | 47,230 | - | - | - | - | - | 47,230 |
| Tourism and conference facilities | - | - | - | - | - | 1,205,174 | 1,205,174 |
| Parks, library, and economic development | - | - | - | - | - | 5,550,148 | 5,550,148 |
| Police department | - | - | - | - | - | 2,824,394 | 2,824,394 |
| Grants | - | - | - | 987 | - | - | 987 |
| Other | 40,594 | - | 4,888,610 | - | - | 3,164,891 | 8,094,095 |
| Unassigned | 20,240,670 | - | - | - | | - | 20,240,670 |
| Total | $ 20,746,754 | $ 3,154,199 | $ 4,888,610 | $ 987 | $ 13,554,224 | $ 27,484,375 | $ 69,829,149 |

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified prepaid items and inventory as being nonspendable.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Fund Balance Classifications – Continued

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The City has recorded the following restrictions at year-end:

a. Restricted for debt service represents that portion of fund equity legally restricted for retirement of bond principal and payment of interest and related charges.
b. Restricted for capital projects represents that portion of fund equity legally restricted by debt covenant for capital projects and capital equipment purchases.
c. Restricted for developer agreements represents the portion of fund equity that must be used for future improvements to various development areas within the City.
d. Restricted for court technology represents funds collected from a court technology fee that must be used to upgrade court systems.
e. Restricted for juvenile case processing represents funds collected from a fee on municipal court citations that must be used to support the expenditures associated with juvenile case processing.
f. Restricted for cable PEG fees represents the portion of fund equity that must be used for the expansion of the City's public, educational, and government access channel.
g. Restricted for historical preservation represents donations that must be used toward the preservation of the City's historical sites.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has no committed fund balance at year-end.

Assigned: This classification includes amounts that are constrained by the City's intended use for a specific purpose but are neither restricted nor committed. The City Council delegates the authority for determining this intent to the City Manager. Assignments are made at the City Manager's discretion, but generally represent items for which specific funds have been informally dedicated internally. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City has recorded the following assignments at year-end:

a. Assigned for capital projects represents revenue sources that are to be used for capital projects for the City.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Fund Balance Classifications – Continued

b. Assigned for betterment represents funds donated by citizens that are to be used for the betterment of the community.
c. Assigned for emergency/radio systems represents funding that is to be used to upgrade emergency and radio systems.
d. Assigned for tourism and conference facilities represents funds to promote the City through tourism, conference booking, and historical preservation.
e. Assigned for parks, libraries, and economic development represents funds from sales taxes that are to be used for park improvements, library activities, and economic development throughout the City.
f. Assigned for the police department are funds from the Crime Control and Prevention District and police drug arrests and asset seizures to be used for police department expenditures.
g. Assigned for grants are funds from specific revenues that are to be spent for allowable expenditures in accordance with specific grant requirements.
h. Assigned for other are funds from specific revenues that are to be spent for facility remodel, victim assistance, and injured animals.

Unassigned: This classification includes all amounts that are not included in other spendable classifications and the remaining negative fund balance for any governmental funds. The General Fund is the only fund that reports a positive unassigned fund balance.

When available, the City uses restricted fund balances first, followed by committed resources, assigned resources, then unassigned resources, as appropriate opportunities arise. However, the City reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

### Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources of governmental and business-type activities and proprietary funds. Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus capital-related deferred outflows of resources, reduced by the outstanding balances of any borrowing and capital related deferred inflows of resources used for the acquisition, construction, or improvements of those assets, plus unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

### Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its Fiduciary Net Position and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's OPEB liability is obtained from an actuarial valuation through a report prepared for the City by their consulting actuary in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting as deferred outflows of resources:

- Deferred charges on refundings – a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.
- Pension contributions after measurement date – these contributions are deferred and recognized in the following fiscal year.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Deferred Outflows/Inflows of Resources – Continued

- Difference in OPEB actuarial assumption changes – this difference is deferred and amortized over a closed period that approximates the estimated average remaining lives of all members on the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has the following items that qualify for reporting as deferred inflows of resources:

- Difference in expected and actual pension experience – this difference is deferred and amortized over a closed period that approximates the estimated average remaining lives of all members on the measurement date.
- Difference in projected and actual investment earnings for pension assets – the difference is deferred and amortized over a closed five-year period.
- Difference in projected and actual investment earnings on OPEB assets – this difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual OPEB experience – this difference is deferred and amortized over a closed period that approximates the estimated average remaining lives of all members on the measurement date.

### Tax Abatements

The City provides tax abatement programs through economic development agreements designed to promote local economic development and redevelopment; spur economic improvement; stimulate business and commercial activity within the City; retain, create, and attract jobs; train and retrain employees of local businesses; generate additional sales tax and enhance the property tax base and economic condition of the City. Agreements generally contain recapture provisions which may require repayment or termination if the recipients do not meet the required provisions.

As of September 30, 2021, the City has two categories of tax abatement programs for economic development:

Tax Abatements – The City has designated tax reinvestment zones and negotiated tax abatement agreements with applicants as authorized by the Texas Tax Code Chapter 312 and administered through the City's Tax Abatement Policy to promote development and redevelopment within the City. Such abatement agreements authorize the appraisal district to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### Tax Abatements – Continued

Recipients receiving tax abatements generally commit to the creation of new value of eligible property improvements, either for new or improved existing facilities, made subsequent to the agreement ranging from 35% to 75% for up to 10 years. Property taxes abated under this program were $1,479 in fiscal year 2021, or less than 0.01% of the total property tax revenues.

General Economic Development Agreements – The City has entered into various agreements under Texas Local Government Code Chapter 380 to stimulate economic development. Such agreements may provide rebates, grants, or loans for promotion of economic development including attracting new business and encouraging expansion or retention of existing businesses. Rebates may be a flat amount or percentage of property taxes or sales taxes received by the City. For fiscal year 2021, the City rebated $1,018,596 in sales taxes, or 4.2% of the total sales tax revenues and $19,325 in property tax revenue, or less than 0.09% of the total property tax revenues. These rebates are reflected in non-departmental expenditures in the general fund and in general and administrative expenditures in the EDC fund.

## NOTE 2. DEPOSITS AND INVESTMENTS

### Deposits

State statutes and the City's investment policy require that all uninsured deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies or instrumentalities or direct obligations of Texas or its agencies or instrumentalities that have a market value of not less than the principal amount of the deposits or by a letter of credit issued by a federal home loan bank. The City's deposits were fully insured or collateralized as required by state statutes as of September 30, 2021. At year-end, the carrying amount of the City's deposits was $757,614 with a bank balance of $2,574,295.

The total bank balance is covered by Federal Depository Insurance Corporation (FDIC) insurance or by collateral for balances in excess of FDIC coverage. Collateral is held by Bank of NY Mellon in the City's name under a joint safekeeping agreement with Frost National Bank for City deposits at Frost Bank. The market value of the collateral provided by Frost Bank at the close of the fiscal year was $2,388,858. The balances at Bank of Texas (BOT) are covered by FDIC insurance and collateral pledged to cover the balances in the BOT short-term cash fund.

### Investments

State statutes, City bond ordinances, and City resolutions authorize the City's investments. The City is authorized to invest in obligations of the U.S. Government and its agencies and instrumentalities, obligations of the State of Texas and its agencies and instrumentalities, fully-insured or collateralized certificates of deposit, fully-collateralized repurchase agreements and reverse repurchase agreements, government pools, and no-load SEC-registered money market funds consisting of any of these securities listed.

## NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

### Investments – Continued

Because the City is responsible for the investment portfolio of its component units, the City's investment practices and policies disclosed herein apply equally to its component units. During the year ended September 30, 2021, the City did not own any types of securities other than those permitted by statute.

| Investment Type | Book Value | Fair Value Level 2 | % of Portfolio | WAM | Rating | Rating Agency |
|---|---|---|---|---|---|---|
| Interest bearing bank deposits | $ 770,396 | | 0.6% | | | |
| Investments measured at amortized cost: | | | | | | |
| Investment Pools: | | | | | | |
| TexasClass | 22,698,062 | | 17.1% | 27 | AAAm | S&P |
| TexPool | 33,072,895 | | 25.0% | 34 | AAAm | S&P |
| TexSTAR | 27,403,840 | | 20.7% | 22 | AAAm | S&P |
| Investments measured at fair value: | | | | | | |
| U.S. Treasury | 998,320 | 999,453 | 0.8% | 5 | Aaa | Moody's |
| CD | 2,739,000 | 2,737,689 | 2.1% | 4 | Not rated | |
| U.S. Government Agency Securities: | | | | | | |
| FFCB | 35,640,580 | 35,649,577 | 26.9% | 112 | AA+/Aaa | S&P/Moody's |
| FHLB | 5,995,657 | 5,996,640 | 4.5% | 15 | AA+/Aaa | S&P/Moody's |
| FHLMC | 2,000,000 | 2,001,080 | 1.5% | 6 | AA+/Aaa | S&P/Moody's |
| FAMCA | 1,000,000 | 999,810 | 0.8% | 5 | Not rated | |
| Total | $ 132,318,750 | $ 48,384,249 | 100% | | | |

Weighted average maturity (WAM) of the portfolio by investment type categories reflected in the previous table is stated in days. For the investment pools, the Reset WAM is presented. Investment type acronyms displayed in the previous table are defined as follows: CD – Certificate of Deposit, FFCB – Federal Farm Credit Bank, FHLB – Federal Home Loan Bank, FHLMC – Federal Home Loan Mortgage Corporation, and FAMCA – Federal Agricultural Mortgage Corporation. CD represents certificates of deposit. The rating agency acronyms are defined as follows: S&P – Standard and Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. and Moody's – Moody's Investor Service, Inc. Additional information about the rating agency or the significance of the ratings provided may be obtained from each agency's web site.

### Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs – other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

## NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

### Investments – Continued

#### Fair Value – Continued

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the previous table. The City's investment balances and weighted average maturity of such investments are as shown.

Investment pools are measured at amortized cost and are exempt from fair value reporting.

U.S Treasury and U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Certificates of Deposit classified in Level 2 of the fair value hierarchy are valued using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

All of the public fund investment pools (pools) in which the City is a participant use amortized cost to value the portfolio. Amortized cost, in most cases, approximates the market value of the securities held. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The pools in which the City invests transact at a net asset value of $1.00 per share, have a weighted average maturity of 60 days or less and weighted average life of 120 days or less, hold investments that are highly rated by a nationally recognized statistical rating organization, have no more than 5% of the portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions.

The TexPool investment pool is an external investment pool valued at amortized cost. TexPool has a redemption notice period of one day and has no maximum transaction amounts. Texpool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

## NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

### Investments – Continued

The TexSTAR investment pool is an external investment pool measured at amortized cost. TexSTAR's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. TexSTAR has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

The MBIA Texas CLASS Investment Pool is governed by a Board of Trustees. The number of trustees is determined and elected by the participants in the pool annually but it must be comprised of an odd number with a minimum of three trustees. The Board meets upon the request of at least two trustees, but not less than once annually. The pool is tailored to comply with the Public Funds Investment Act. Duties of the governing board include oversight responsibility.

TexPool falls under the purview of the Texas Comptroller of Public Accounts (Comptroller) who is responsible for oversight of TexPool operations. Federated Hermes is responsible for managing pool assets and day-to-day operations. TexSTAR is duly chartered and administered by HilltopSecurities Inc. and JP Investment Management, Inc. TexSTAR has established a governing board that is partially comprised of pool participants. Duties of the governing board include oversight responsibility. The Comptroller and the governing board exercise oversight of the pools' activities via daily, weekly, and monthly reporting requirements.

Additionally, per the requirements of the Public Funds Investment Act (PFIA), all pools will maintain an AAA or equivalent rating from at least one nationally recognized rating agency. The PFIA also requires an annual examination of the financial statements of the pools by an independent certified public accounting firm. In connection with the financial audit, a compliance audit of management controls on investments and adherence to the investment policies is also required.

### Interest Rate Risk

In compliance with the City's Investment Policy, as of September 30, 2021, the City minimized the interest rate risk, the risk relating to the decline in market value of securities in the portfolio, by: limiting the weighted average maturity to 365 days and the stated maturity to two years or less, with the exception of securities purchases related to reserve funds; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the PFIA; and investing funds primarily in money market mutual funds, government investment pools, and shorter-term securities.

## NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

### Interest Rate Risk – Continued

The following table details the maturity schedule for the City's investment portfolio as of September 30, 2021:

| Maturity Schedule | Book Value | Fair Value | % of Portfolio |
|---|---|---|---|
| Overnight | $ 83,945,193 | $ 83,945,193 | 63% |
| Less than 1 month | 1,000,000 | 1,000,020 | 1% |
| 1 to 6 months | 2,496,050 | 2,502,422 | 2% |
| 6 to 9 months | 6,999,100 | 7,005,530 | 5% |
| 9 to 12 months | 8,656,590 | 8,655,568 | 7% |
| 12 to 18 months | 14,493,752 | 14,491,653 | 11% |
| Over 18 months | 14,728,065 | 14,729,056 | 11% |
| Total | $ 132,318,750 | $ 132,329,442 | 100% |

### Credit Risk

In compliance with the City's Investment Policy, as of September 30, 2021, the City minimized credit risk losses due to default of a security issuer or backer, by: limiting investments to the safest types of securities; primarily investing in U.S. Agency Bonds rated AA+ by Standard & Poor's; pre-qualifying financial institutions, brokers/dealers, and advisors with which the City will do business; and diversifying the investment portfolio so that the potential losses on securities are minimized.

*Custodial credit risk* – risk that a government will not be able to recover (a) deposits if the depository financial institution fails or (b) the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. To minimize such risk, the City requires collateralization of deposits in excess of FDIC coverage, utilizes the delivery vs. payment method for investment purchases, and contracts with a third-party collateral safekeeping agent.

Per the terms of its depository agreement, for bank deposits in excess of the coverage provided by the FDIC, the City requires the depository bank to pledge to the City securities (collateral) equal to 105% of the largest balances the City maintains in the bank. The percentage as shown reflects the requirement based on market value of the pledged securities. The City actively monitors and manages collateral levels for all deposits. On September 30, 2021, the City's bank balances were fully insured or collateralized.

The City's depository bank also acts as its safekeeping agent per the terms of the depository contract. City policy dictates that all securities rendered for payment will be sent delivery vs. payment, meaning that the funds required for purchase of a security will not be released until the safekeeping agent has received the security purchased in the City's name. No broker holds City funds. The City does not purchase securities from its depository bank or any subsidiary banks of the same bank holding company.

## NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, was as follows:

| | Balance Beginning of Year | Increase | Decrease | Adjustment/ Transfer | Balance End of Year |
|---|---|---|---|---|---|
| Governmental activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | $ 35,207,085 | $ 64,100 | $ - | $ 1,965,763 | $ 37,236,948 |
| Construction in progress | 30,769,761 | 14,361,002 | - | (18,564,835) | 26,565,928 |
| Total capital assets not being depreciated | 65,976,846 | 14,425,102 | - | (16,599,072) | 63,802,876 |
| Capital assets being depreciated | | | | | |
| Buildings | 61,665,951 | - | - | 8,379,239 | 70,045,190 |
| Improvements other than buildings | 14,590,019 | 88,134 | - | 4,156,079 | 18,834,232 |
| Infrastructure | 99,901,482 | 256,634 | - | 2,375,253 | 102,533,369 |
| Machinery and equipment | 12,803,143 | 471,510 | (173,338) | 1,688,501 | 14,789,816 |
| Total capital assets being depreciated | 188,960,595 | 816,278 | (173,338) | 16,599,072 | 206,202,607 |
| Less accumulated depreciation | | | | | |
| Buildings | (29,596,504) | (1,803,008) | - | - | (31,399,512) |
| Improvements other than buildings | (5,588,415) | (407,630) | - | - | (5,996,045) |
| Infrastructure | (47,255,365) | (2,709,366) | - | - | (49,964,731) |
| Machinery and equipment | (7,756,198) | (1,116,155) | 151,000 | - | (8,721,353) |
| Total accumulated depreciation | (90,196,482) | (6,036,159) | 151,000 | - | (96,081,641) |
| Total capital assets being depreciated, net | 98,764,113 | (5,219,881) | (22,338) | 16,599,072 | 110,120,966 |
| Total governmental fund capital assets, net | 164,740,959 | 9,205,221 | (22,338) | - | 173,923,842 |
| Internal service funds | | | | | |
| Capital assets being depreciated | | | | | |
| Machinery and equipment | 15,400,763 | 1,739,822 | (1,101,140) | - | 16,039,445 |
| Total internal service assets being depreciated | 15,400,763 | 1,739,822 | (1,101,140) | - | 16,039,445 |
| Less accumulated depreciation | | | | | |
| Machinery and equipment | (9,820,316) | (1,473,356) | 1,101,140 | - | (10,192,532) |
| Total internal service funds capital assets, net | 5,580,447 | 266,466 | - | - | 5,846,913 |
| Total governmental activities capital assets, net | $ 170,321,406 | $ 9,471,687 | $ (22,338) | $ - | $ 179,770,755 |

## NOTE 3. CAPITAL ASSETS – CONTINUED

| | Balance Beginning of Year | Increase | Decrease | Adjustment/ Transfer | Balance End of Year |
|---|---|---|---|---|---|
| Business-type activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | $ 3,618,545 | $ - | $ - | $ - | $ 3,618,545 |
| Construction in progress | 7,361,778 | 4,098,790 | - | (1,032,127) | 10,428,441 |
| Total capital assets not being depreciated | 10,980,323 | 4,098,790 | - | (1,032,127) | 14,046,986 |
| Capital assets being depreciated | | | | | |
| Buildings | 4,207,035 | - | - | - | 4,207,035 |
| Equipment | 3,874,675 | 52,396 | (131,749) | - | 3,795,322 |
| Improvements | 21,538,553 | - | (362,267) | 100,337 | 21,276,623 |
| Utility system | 123,365,999 | 510,725 | - | 931,790 | 124,808,514 |
| Total capital assets being depreciated | 152,986,262 | 563,121 | (494,016) | 1,032,127 | 154,087,494 |
| Less accumulated depreciation | | | | | |
| Buildings | (2,779,821) | (124,217) | - | - | (2,904,038) |
| Equipment | (2,190,570) | (293,393) | 128,816 | - | (2,355,147) |
| Improvements | (12,292,836) | (607,695) | 362,267 | - | (12,538,264) |
| Utility system | (62,158,132) | (2,910,499) | - | - | (65,068,631) |
| Total accumulated depreciation | (79,421,359) | (3,935,804) | 491,083 | - | (82,866,080) |
| Total capital assets being depreciated, net | 73,564,903 | (3,372,683) | (2,933) | 1,032,127 | 71,221,414 |
| Total business-type activities capital assets, net | $ 84,545,226 | $ 726,107 | $ (2,933) | $ - | $ 85,268,400 |

Depreciation expense was charged as a direct expense to programs of the primary government as follows:

| | |
|---|---|
| Governmental activities | |
| Culture and recreation | $ 842,853 |
| Development | 24,003 |
| General administrative | 3,212,254 |
| Highways and streets | 2,792,506 |
| Public safety | 637,899 |
| Total depreciation expense - governmental activities | $ 7,509,515 |
| Business-type activities | |
| Water and wastewater | $ 2,270,442 |
| Drainage utility | 805,589 |
| Golf course | 401,704 |
| Other recreation enterprises | 458,069 |
| Total depreciation expense - business-type activities | $ 3,935,804 |

Outstanding commitments at September 30, 2021, under authorized construction contracts, were $13,015,769. These outstanding commitments are to be financed by available deposit and investment balances, which include proceeds from previous bond issuances.

## NOTE 4. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended September 30, 2021:

| | Balance Beginning of Year | Increases | Decreases | Balance End of Year | Due within One Year |
|---|---|---|---|---|---|
| Governmental activities | | | | | |
| General obligation bonds | $ 6,040,000 | $ - | $ (1,925,000) | $ 4,115,000 | $ 1,105,000 |
| Certificates of obligation | 51,710,000 | 5,360,000 | (2,140,000) | 54,930,000 | 2,370,000 |
| Sales tax revenue bonds | 5,450,000 | - | (205,000) | 5,245,000 | 220,000 |
| Tax notes | 1,110,000 | 1,625,000 | (365,000) | 2,370,000 | 875,000 |
| Premium on debt | 2,273,871 | 401,414 | (173,727) | 2,501,558 | 404,351 |
| Discount on debt | (78,653) | - | 9,683 | (68,970) | (9,682) |
| Net pension liability | 13,750,472 | - | (2,844,931) | 10,905,541 | - |
| Net OPEB liability | 10,124,512 | - | (1,102,683) | 9,021,829 | - |
| Compensated absences | 2,117,524 | 377,867 | (426,139) | 2,069,252 | 201,021 |
| Total governmental activities | 92,497,726 | 7,764,281 | (9,172,797) | 91,089,210 | 5,165,690 |
| Business-type activities | | | | | |
| Water and sewer revenue bonds | 18,725,000 | - | (945,000) | 17,780,000 | 945,000 |
| General obligation refunding bonds | 3,805,000 | - | (510,000) | 3,295,000 | 520,000 |
| Premiums on debt | 136,726 | - | (19,241) | 117,485 | 19,241 |
| Discounts on debt | (21,129) | - | 1,625 | (19,504) | (1,625) |
| Net pension liability | 2,524,312 | - | (525,841) | 1,998,471 | - |
| Net OPEB liability | 1,887,411 | - | (203,813) | 1,683,598 | - |
| Compensated absences | 377,882 | 42,476 | (52,771) | 367,587 | 36,759 |
| Total business-type activities | 27,435,202 | 42,476 | (2,255,041) | 25,222,637 | 1,519,375 |
| Total primary government | $ 119,932,928 | $ 7,806,757 | $ (11,427,838) | $ 116,311,847 | $ 6,685,065 |

Governmental fund net pension liability and net OPEB liability are typically liquidated by the general, half-penny sales tax, crime control and prevention district, and juvenile case funds.

### General Obligation Bonds

General obligation bonds and general obligation refunding bonds provide funds for the acquisition and construction of major capital equipment, City facilities, and infrastructure assets and the refunding of previously issued debt instruments. General obligation bonds require voter authorization; whereas general obligation refunding bonds do not. General obligation bonds are direct obligations of the City, payable from a continuing and direct ad valorem tax, levied within the limits prescribed by law, on all taxable property within the City as provided in the ordinances authorizing issuance of the bonds.

## NOTE 4. LONG-TERM DEBT – CONTINUED

### General Obligation Bonds – Continued

The City is required to compute an interest and sinking fund tax rate sufficient to cover the annual debt service requirements inclusive of anticipated drawdown of reserves, transfers or revenues from self-supporting debt systems, and other miscellaneous sources.

As of September 30, 2021, general obligation bonds currently outstanding are as follows:

| | Interest Rate % | Dated | Maturity Date | Principal Outstanding |
|---|---|---|---|---|
| General Obligation Bonds | | | | |
| Taxable Refunding, Series 2010 | 4% – 4.4% | 08/15/2010 | 08/01/2025 | $2,555,000 |
| Refunding, Series 2012 | 3% – 4% | 12/01/2011 | 02/15/2024 | 1,560,000 |
| Refunding, Series 2012A | 2% – 2.625% | 11/01/2012 | 02/15/2027 | 3,295,000 |
| | | | Total | $7,410,000 |

Annual debt service requirements to maturity for general obligation bonds are as follows:

| Fiscal | Governmental Activities | | Business-Type Activities | | |
|---|---|---|---|---|---|
| Year | Principal | Interest | Principal | Interest | Total |
| 2022 | $ 1,105,000 | $ 152,439 | $ 520,000 | $ 71,275 | $ 1,848,714 |
| 2023 | 1,140,000 | 110,539 | 530,000 | 60,444 | 1,840,983 |
| 2024 | 1,185,000 | 67,099 | 540,000 | 48,738 | 1,840,837 |
| 2025 | 685,000 | 30,140 | 555,000 | 36,072 | 1,306,212 |
| 2026 | - | - | 565,000 | 22,419 | 587,419 |
| 2027 | - | - | 585,000 | 7,678 | 592,678 |
| Total | $ 4,115,000 | $ 360,217 | $ 3,295,000 | $ 246,626 | $ 8,016,843 |

The business-type activities general obligation refunding bonds outstanding were issued to refund previously issued golf course debt. The City anticipates repayment of the debt will occur from the golf system revenues. However, these plans are subject to change.

## NOTE 4. LONG-TERM DEBT – CONTINUED

### Certificates of Obligation

Certificates of obligation are issued for many of the same purposes as general obligation bonds, but certificates do not require voter authorization nor may they be used to refund existing debt. The certificates constitute direct obligations of the City, payable from (i) the levy and collection of a direct and continuing ad valorem tax, levied within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed $1,000) of the Net Revenues of the City's waterworks and sanitary sewer system.

The City currently has the following certificates of obligation outstanding as of the end of the fiscal year:

| | Interest Rate % | Dated | Maturity Date | Principal Outstanding |
|---|---|---|---|---|
| Certificates of Obligation | | | | |
| Series 2011 | 4% – 4.25% | 01/15/2011 | 08/15/2030 | $1,765,000 |
| Series 2014 | 3% – 5% | 10/15/2014 | 08/15/2034 | 4,505,000 |
| Series 2015 | 3% – 5% | 10/27/2015 | 02/15/2035 | 2,530,000 |
| Series 2016 | 2.25% – 4% | 01/12/2016 | 02/15/2041 | 14,485,000 |
| Series 2018 | 3% – 4% | 03/01/2018 | 02/15/2038 | 8,270,000 |
| Series 2019 | 3% – 5% | 01/15/2019 | 02/15/2039 | 11,165,000 |
| Series 2020 | 2% – 3.5% | 01/14/2020 | 02/15/2040 | 6,850,000 |
| Series 2021 | 1.625% – 4% | 04/08/2021 | 02/15/2041 | 5,360,000 |
| | | | Total | $54,930,000 |

Annual debt service requirements to maturity for the certificates of obligation are as follows:

| Fiscal Year | Governmental Activities | | |
|---|---|---|---|
| | Principal | Interest | Total |
| 2022 | $ 2,370,000 | $ 1,800,592 | $ 4,170,592 |
| 2023 | 2,505,000 | 1,669,783 | 4,174,783 |
| 2024 | 2,590,000 | 1,574,117 | 4,164,117 |
| 2025 | 2,680,000 | 1,492,001 | 4,172,001 |
| 2026 | 2,765,000 | 1,402,901 | 4,167,901 |
| 2027-2031 | 15,120,000 | 5,500,059 | 20,620,059 |
| 2032-2036 | 15,695,000 | 2,922,384 | 18,617,384 |
| 2037-2041 | 11,205,000 | 720,556 | 11,925,556 |
| Total | $ 54,930,000 | $17,082,393 | $72,012,393 |

## NOTE 4. LONG-TERM DEBT – CONTINUED

### Certificates of Obligation – Continued

In February 2021, the City Council approved the issuance of $5,360,000 of Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, series 2021 for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, and (ii) professional services rendered in relation to such projects and the financing thereof.

### Revenue Bonds

Each series of revenue bonds is backed by the pledged revenue sources identified in the bond ordinances authorizing issuance of the bonds. The purpose and primary pledged revenue sources of each type of revenue bond are summarized as follows.

Half-penny sales tax fund issues sales tax revenue bonds (STRB) to finance library, park, and economic development projects throughout the City. Sales tax revenue bonds are special obligations of the Euless Development Corporation (EDC), payable solely from and secured by a lien on and pledge of certain Pledged Revenues which includes the gross proceeds of a ½¢ sales and use tax levied within the City for the benefit of the EDC. The EDC is reflected in the financial statements of the City as a special revenue fund. Accordingly, the EDC's debt is reflected in governmental activities debt.

Water and wastewater fund issues revenue bonds (W&WW) for the construction of and improvement to the City's combined waterworks and sanitary sewer infrastructure or to refund previously issued revenue bonds. Water and sewer revenue bonds and refunding bonds are payable solely from and equally secured by a first lien on and pledge of the net revenues of the City's water and wastewater system.

The City currently has the following revenue bonds outstanding at the end of the fiscal year:

| | Interest Rate % | Dated | Maturity Date | Principal Outstanding |
|---|---|---|---|---|
| Revenue Bonds | | | | |
| W&WW Refunding, Series 2012 | 2.03% | 03/29/2012 | 07/15/2024 | $ 405,000 |
| W&WW Improvement, Series 2013 | 3.625% – 5% | 06/25/2013 | 07/15/2033 | 1,080,000 |
| W&WW Improvement, Series 2015A | 0.8% – 1.98% | 06/15/2015 | 07/15/2035 | 3,365,000 |
| W&WW Improvement, Series 2015B | 0.5% – 1.68% | 06/15/2015 | 07/15/2035 | 1,780,000 |
| W&WW Improvement, Series 2018 | 0.24% – 1.49% | 04/12/2018 | 07/15/2038 | 2,400,000 |
| W&WW Improvement, Series 2019 | 0.29% – 1.66% | 04/25/2019 | 07/15/2049 | 8,750,000 |
| STRB, Series 2018 | 3% – 4% | 10/15/2018 | 09/15/2038 | 1,445,000 |
| STRB, Series 2019 | 2.5% – 4% | 12/12/2019 | 09/15/2039 | 3,800,000 |
| | | | Total | $ 23,025,000 |

## NOTE 4. LONG-TERM DEBT – CONTINUED

### Revenue Bonds – Continued

Annual debt service requirements to maturity for revenue bonds are as follows:

| Fiscal | Governmental Activities | | Business-Type Activities | | |
|---|---|---|---|---|---|
| Year | Principal | Interest | Principal | Interest | Total |
| 2022 | $220,000 | $181,125 | $945,000 | $263,393 | $1,609,518 |
| 2023 | 225,000 | 172,975 | 960,000 | 254,746 | 1,612,721 |
| 2024 | 230,000 | 164,625 | 965,000 | 244,786 | 1,604,411 |
| 2025 | 245,000 | 156,075 | 840,000 | 233,658 | 1,474,733 |
| 2026 | 250,000 | 146,975 | 845,000 | 224,201 | 1,466,176 |
| 2027-2031 | 1,405,000 | 578,775 | 4,430,000 | 939,706 | 7,353,481 |
| 2032-2036 | 1,655,000 | 329,550 | 4,050,000 | 551,400 | 6,585,950 |
| 2037-2041 | 1,015,000 | 61,450 | 1,910,000 | 310,607 | 3,297,057 |
| 2042-2046 | – | – | 1,725,000 | 176,029 | 1,901,029 |
| 2047-2049 | – | – | 1,110,000 | 36,871 | 1,146,871 |
| Total | $5,245,000 | $1,791,550 | $17,780,000 | $3,235,397 | $28,051,947 |

The gross ½¢ sales tax revenues of the EDC recognized in the year ending September 30, 2021 totaled $6,096,234. The principal, interest and fiscal charges on the EDC debt for the same period totaled $394,725 which equates to approximately 6.5% of the gross ½¢ sales tax revenues.

The recognized net revenues of the water and wastewater fund totaled $4,203,050 for the year ending September 30, 2021. Principal, interest and fiscal charges on the water and sewer revenue bonds totaled $1,219,924 which equates to approximately 29% of net system revenues.

In accordance with the water and sewer revenue and refunding bond ordinances, the following reserves were established:

Reserve for revenue bond debt service – to be used for retirement of the current portion of principal and interest payments due.

Reserve for emergency – to be used for payment of extraordinary repairs or replacements to the system necessitated by an emergency for which no other funds are available.

## NOTE 4. LONG-TERM DEBT – CONTINUED

### Revenue Bonds – Continued

Revenue bond reserve – a reserve established at the time of issuance pursuant to the revenue bond covenants which will be used for principal and interest payments in the event of default by the issuer.

Should the reserve for revenue bond debt service and/or the revenue bond reserve prove deficient, the reserve for emergency shall be used for the purpose of meeting principal and/or interest requirements of the bonds.

All funding requirements for the above reserves were met at September 30, 2021.

Investments of funds included in the bond reserve and emergency accounts are restricted to obligations of the United States or its agencies or instrumentalities (except for mortgage pass-through securities).

Water and sewer revenue bonds authorized and unissued as of September 30, 2021, amounted to $1,200,000. The water and sewer bonds were authorized in 1970, and currently the City Council has no intent to issue these bonds.

### Tax Notes

Tax notes are issued for the purchase of certain specified materials, supplies, equipment, and machinery for the City's authorized needs and purposes. In 2021, tax notes were issued to pay contractual obligations incurred (i) primarily for the costs of purchasing equipment, machinery, buildings, and vehicles for the City fire and police departments; and (ii) professional services rendered in relation thereto. The City currently has the following tax notes outstanding as of the end of the fiscal year:

| | Interest Rate % | Dated | Maturity Date | Principal Outstanding |
|---|---|---|---|---|
| Tax Notes | | | | |
| Series 2020 | 1.07% | 06/25/2020 | 02/15/2023 | $ 745,000 |
| Series 2021 | 4.00% | 04/08/2021 | 02/15/2024 | 1,625,000 |
| | | | | $2,370,000 |

## NOTE 4. LONG-TERM DEBT – CONTINUED

### Tax Notes – Continued

Annual debt service requirements to maturity for the tax notes are as follows:

| Fiscal Year | Governmental Activities | | |
|---|---|---|---|
| | Principal | Interest | Total |
| 2022 | $875,000 | $83,937 | $958,937 |
| 2023 | 925,000 | 35,900 | 960,900 |
| 2024 | 570,000 | 11,400 | 581,400 |
| Total | $2,370,000 | $131,237 | $2,501,237 |

## NOTE 5. COMMITMENTS AND CONTINGENT LIABILITIES

The City entered into a contract dated January 21, 1972, with Trinity River Authority (TRA) whereby TRA agreed to provide treated water to the City. This contract was for an original term of thirty-five (35) years and continues in effect until all bonds, or any bonds issued to refund same, have been paid in full. Additionally, on October 10, 1973, the City entered into a contract with TRA to provide wastewater treatment services to the City. The contract remains in force and effect for a period of fifty (50) years and thereafter until any bonds, or any bonds issued to refund same, have been paid in full. Payments by the City are based on metered usage at rates designed to charge the City a prorata share of TRA's annual operating and maintenance expenses and principal and interest requirements on bonds issued by TRA. Payments under these contracts totaled $12,628,040 and are included as operating expenses of the water and wastewater fund.

The City entered into a 20-year contract dated February 2, 2010, with the City of Fort Worth (Fort Worth) whereby Fort Worth agreed to provide reclaimed water service to the City. Payments by the City are based on metered volume. Payments under this contract totaled $355,273 in the year ended September 30, 2021 and are included as operating expenses of the water and wastewater fund.

The City is involved in a number of lawsuits arising in the ordinary course of business. In the opinion of the City's legal counsel and management, any liability resulting from such litigation would not be material in relation to the City's financial position.

## NOTE 6. SERVICE CENTER

The water and wastewater enterprise fund historically bears the major portion of the operating costs of the City's service center, which provides services to all City departments.

## NOTE 7. INTERFUND TRANSFERS

All interfund transfers between the various funds are approved supplements to the operations of those funds.

| | Transfers in | | | | | |
|---|---|---|---|---|---|---|
| | General | Debt Service | Street CIP | Grants | Non-major Governmental | Subtotal Governmental |
| Transfers out | | | | | | |
| General | $ - | $ - | $ 1,000,000 | $ 25,963 | $ 1,530,728 | $ 2,556,691 |
| Debt service | - | - | - | - | - | - |
| Car rental tax | 817,990 | - | - | - | 750,000 | 1,567,990 |
| Water and wastewater | 1,386,465 | - | - | - | - | 1,386,465 |
| Drainage utility | 42,041 | - | - | - | - | 42,041 |
| Nonmajor governmental | - | 2,385,756 | - | - | 255,000 | 2,640,756 |
| Total transfers in | $ 2,246,496 | $ 2,385,756 | $ 1,000,000 | $ 25,963 | $ 2,535,728 | $ 8,193,943 |

| | Transfers in | | | |
|---|---|---|---|---|
| | | Major Enterprise | | |
| | Internal Service | Golf Course | Subtotal Enterprise | Total Transfers Out |
| Transfers out | | | | |
| General | $ 256,000 | $ 14,494 | $ 14,494 | $ 2,827,185 |
| Debt service | 1,695,000 | - | - | 1,695,000 |
| Car rental tax | - | 50,000 | 50,000 | 1,617,990 |
| Water and wastewater | 256,000 | - | - | 1,642,465 |
| Drainage utility | - | - | - | 42,041 |
| Nonmajor governmental | - | 377,374 | 377,374 | 3,018,130 |
| Total transfers in | $ 2,207,000 | $ 441,868 | $ 441,868 | $ 10,842,811 |

Transfers are primarily used to move funds from:

- The general fund to the street CIP fund and non-major governmental funds to fund approved capital projects, to the grant fund to satisfy grant matching requirements, and to the golf course fund for sales tax rebates.
- The car rental tax fund, the water and wastewater fund, and the drainage utility fund to the general fund for general and administrative charges.
- The car rental tax fund to the non-major governmental funds to provide funding for approved capital projects.
- The non-major governmental funds to non-major governmental funds to provide funding for approved projects.
- The non-major governmental funds to debt service funds for debt payments on previously issued debt.

## NOTE 7. INTERFUND TRANSFERS – CONTINUED

- The general fund and water and wastewater fund to the internal service funds for workers' compensation and general liability insurance claims.
- The car rental fund and debt service fund to the internal service funds for equipment purchases.
- The non-major governmental funds to the golf course fund to cover a portion of the operating and debt costs associated with the conference center.
- The non-major governmental funds to the other recreation enterprises fund to provide funding for approved projects.
- The car rental tax fund to the golf course fund for capital project funding.

## NOTE 8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Texas Municipal League Joint Self-Insurance Fund (TMLIF) to provide both general liability and property insurance.

The City, along with other participating entities, contributes annual amounts determined by TMLIF management. As claims arise they are submitted to and paid by TMLIF. The City is not liable for payments beyond their annual contributions to TMLIF and related deductibles.

In fiscal year 2006, the City contracted with the Texas Municipal League Intergovernmental Risk Pool to provide workers' compensation insurance and effectively discontinued being self-insured for workers' compensation claims. This policy has no deductibles, includes all claims handling, and has a fixed premium.

In fiscal years prior to 2006, the City was self-insured for workers' compensation claims. Contributions were made to a separate risk management fund by other funds and were available to pay claims, claim reserves, and administrative costs of the program. The City remains liable under its self-insurance program for any claims occurring prior to October 1, 2005.

The City provides employee health insurance coverage on a self-insured basis. Premiums are paid into a separate insurance fund by other funds, by the City's employees, and by retirees. The premiums are used to fund claims, administrative costs of the program, and claim reserves. An excess coverage insurance policy covers individual claims in excess of $125,000, and aggregate claims in excess of $6,512,566. During fiscal year 2021, the City and the City's employees contributed approximately $4,752,552 and $1,447,191 respectively, for medical coverage.

The City's contributions are accounted for as interfund services provided and used. Claims liabilities are based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported, and are accounted for in the Insurance Internal Service Fund.

## NOTE 8. RISK MANAGEMENT – CONTINUED

Changes in the balances of health, dental, and prescription claims liabilities for the years ended September 30, 2021 and 2020 are as follows:

| | 2021 | 2020 |
|---|---|---|
| Unpaid claims, beginning of year | $ 639,000 | $ 433,000 |
| Incurred claims | 4,585,628 | 3,483,252 |
| Paid claims | (4,384,628) | (3,277,252) |
| Unpaid claims, end of year | $ 840,000 | $ 639,000 |

Settlement amounts have not exceeded stop loss insurance coverage for the year ended September 30, 2021 or any of the three preceding years ended September 30.

## NOTE 9. DEFINED BENEFIT PENSION PLAN

### Plan Description

The City participates as one of 895 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of participating Texas cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

### Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

## NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

### Benefits Provided – Continued

Plan provisions for the City are as follows:

| | |
|---|---|
| Employee deposit rate | 7% |
| Matching ratio (City to employee) | 2 to 1 |
| A member is vested after | 5 years |
| Service retirement eligibility | 20 years at any age, 5 years at 60 and above |
| Updated service credit | 100% Repeating, Transfers |
| Annuity increase (to retirees) | 70% of CPI |

### Employees Covered By Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 278 |
| Inactive employees entitled to, but not yet receiving benefits | 170 |
| Active employees | 373 |
| Total | 821 |

### Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the Member's total compensation, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the year ended September 30, 2021. The contribution rates for the City were 17.70% and 18.02% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were $5,534,917 and were equal to the required contributions.

### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

## NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

### Actuarial Assumptions

The TPL in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---|---|
| Inflation | 2.5% per year |
| Overall payroll growth | 2.75% per year, adjusted down for population declines, if any |
| Investment rate of return | 6.75%, net of pension plan investment expense, including inflation |

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

## NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

### Actuarial Assumptions – Continued

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 (actuarial study as of December 31, 2020) are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Global Equity | 30.0% | 5.30% |
| Core Fixed Income | 10.0% | 1.25% |
| Non-Core Fixed Income | 20.0% | 4.14% |
| Real Return | 10.0% | 3.85% |
| Real Estate | 10.0% | 4.00% |
| Absolute Return | 10.0% | 3.48% |
| Private Equity | 10.0% | 7.75% |
| Total | 100.0% | |

### Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

## NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

### Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|---|---|---|---|
| | TPL (a) | Plan Fiduciary Net Position (b) | NPL (a) - (b) |
| Balance at 12/31/2019 | $ 228,062,573 | $ 211,787,789 | $ 16,274,784 |
| Changes for the year: | | | |
| Service cost | 5,645,675 | - | 5,645,675 |
| Interest | 15,244,423 | - | 15,244,423 |
| Change of benefit terms | - | - | - |
| Difference between expected and actual experience | (728,824) | - | (728,824) |
| Changes of assumptions | - | - | - |
| Contributions - employer | - | 5,419,109 | (5,419,109) |
| Contributions - employee | - | 2,144,052 | (2,144,052) |
| Net investment income | - | 16,076,966 | (16,076,966) |
| Benefit payments, including refunds of employee contributions | (10,084,210) | (10,084,210) | - |
| Administrative expense | - | (104,023) | 104,023 |
| Other changes | - | (4,058) | 4,058 |
| Net changes | 10,077,064 | 13,447,836 | (3,370,772) |
| Balance at 12/31/2020 | $ 238,139,637 | $ 225,235,625 | $ 12,904,012 |

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

| | 1% Decrease in Discount Rate (5.75%) | Discount Rate (6.75%) | 1% Increase in Discount Rate (7.75%) |
|---|---|---|---|
| City's net pension liability | $ 46,213,217 | $ 12,904,012 | $ (14,518,615) |

### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

## NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the valuation date of December 31, 2020, the City recognized pension expense of $2,007,366.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 670,919 |
| Difference between projected and actual investment earnings | - | 6,047,984 |
| Contributions subsequent to the measurement date | 4,156,015 | - |
| Total | $ 4,156,015 | $ 6,718,903 |

$4,156,015 reported as deferred outflows of resources related to the pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Measurement Year December 31, | Net Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2021 | $ (2,439,366) |
| 2022 | (30,951) |
| 2023 | (3,746,560) |
| 2024 | (502,026) |
| Total | $ (6,718,903) |

## NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

### Postemployment Healthcare Plan

### Plan Description

The City adopted the City of Euless Post-Employment Benefits Trust (OPEB Trust) by passage of Resolution No. 09-1319 on September 8, 2009 which authorized participation in the PARS Public Agencies Post-Retirement Health Care Plan Trust, including the City of Euless Public Agencies Post-Retirement Health Care Plan (the Plan), as part of the City's Retirement Program. Article III of the Public Agencies Post-Retirement Health Care Plan Master Plan Document as adopted provides for the determination of eligibility under the plan to each participating Employer to the extent provided in the Employer's applicable policies.

The City's policies with regard to post-employment healthcare coverage are governed by the City of Euless Medical and Dental Plan, the City's group health insurance plan, the benefits of which are established by management.

*Benefits provided.* The City provides post-employment medical, dental, life, and vision benefits under the Plan to eligible retirees and dependents qualifying as one of the eligible classes of dependents as described in the Plan. To be eligible for coverage under the Plan, an employee must retire with the City of Euless and be eligible for retirement through TMRS. TMRS retirement eligibility requirements are described in detail in Note 9. Additionally, written application to enroll himself/herself and all eligible dependents (for which coverage is elected) in the Plan must be made by the employee prior to or on the retirement date.

The Plan provides lifetime benefits or until Medicare eligibility is attained. Regardless of Medicare enrollment status, the Plan will base payment of benefits as though Medicare were responsible for primary payment of benefits insomuch as allowed by Federal law.

The Plan is a single-employer defined benefit healthcare plan administered by the City Manager, his/her successor, or his/her designee. Separate financial statements for the Plan are not issued, but rather are included in the financial statements of the City which are available on-line at https://www.eulesstx.gov/departments/finance/comprehensive-annual-financial-report.

The OPEB Trust is an agent multiple-employer trust arrangement established to provide economies of scale and efficiency of administration to public agencies. The OPEB Trust is established as a tax-exempt trust within the meaning of Section 115 of the Internal Revenue Code and is intended to hold the assets used to fund the City's post-employment benefits offered by the City to its employees as specified in the City's policies.

The OPEB Trust is administered by Public Agency Retirement Services pursuant to the Trust Agreement adopted on September 8, 2009 by the City Council with passage of Resolution No. 09-1319. Upon adoption of the Trust Agreement, a separate Agency Account was established under the OPEB Trust for the City, and all assets of the Trust attributable to the City are held in the City's Agency Account. The assets of the Trust are available only to pay post-employment healthcare benefits of eligible employees of the City and their dependents and other associated administrative costs.

## NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

### Funding Policy

A Participant in the OPEB Trust is required from time-to-time to contribute to its Agency Account an amount determined by such Participant at its sole discretion. Such amount may, but need not, equal such Participant's actuarially determined contribution (ADC) as determined in accordance with GASB 74. However, it is currently the intent of the Plan Administrator to annually fund an amount equal to, or in excess of, the ADC. This intent is subject to change and is subject to annual appropriation.

Contribution requirements of Plan members and the City are determined by the Plan Administrator and may be amended by same from time to time. Plan members contribute:

| | Monthly Contribution | | | |
|---|---|---|---|---|
| | Medical Plan A | Medical Plan B | Dental | Vision |
| Retiree Only | $ 953.44 | $ 776.08 | $ 38.04 | $ 7.86 |
| Retiree plus Children | 1,811.55 | 1,474.55 | 72.27 | 12.84 |
| Retiree plus Spouse | 2,192.92 | 1,784.98 | 87.49 | 15.24 |
| Retiree plus Family | 2,765.00 | 2,250.62 | 110.32 | 21.56 |

Retired employees meeting all eligibility requirements as set forth in the Plan that were hired prior to October 1, 2006 and are either:

a) Retired and enrolled in the Plan on or prior to September 30, 2007; or

b) Retired and not enrolled in the Plan on or prior to September 30, 2007 and meet guidelines for reinstatement to the Plan; or

c) Employees who were not retired as of September 30, 2007 that retire with at least ten years of service to the City of Euless and have a combined age and years of service equal to at least 70

will qualify for a service discount on their total premium, subject to annual appropriation, as set forth in the following table.

Retired employees meeting all eligibility requirements as set forth in the Plan that were hired after October 1, 2006 and before October 1, 2014 retiring with a minimum of 20 years of service with a combined age and years of service to the City of Euless equal to at least 80 qualify for a service discount on their total premium, subject to annual appropriation, as set forth in the following:

| | Discounts on Premiums | | | | | |
|---|---|---|---|---|---|---|
| | Hired Pre-10/2006 | | Hired Post-10/2006 | | Hired Post-10/2014 | |
| Service | Retiree | Retiree+ | Retiree | Retiree+ | Retiree | Retiree+ |
| 10 to 14 years | 15% | 30% | N/A | N/A | N/A | N/A |
| 15 to 19 years | 25% | 40% | N/A | N/A | N/A | N/A |
| 20 to 24 years | 35% | 50% | 35% | 50% | N/A | N/A |
| 25 to 29 years | 50% | 65% | 50% | 65% | N/A | N/A |
| 30+ years | 60% | 75% | 60% | 75% | N/A | N/A |

## NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

### Funding Policy – Continued

Retirees are permitted to participate with active employees in the healthcare plan but retirees must pay all premiums (less applicable discounts) assigned to them. The City will continue to apply the applicable discount to surviving spouse/dependents based upon a deceased employee's years of service. Employees hired on or after October 1, 2014 will not be eligible for premium discounts regardless of years of service.

Per the requirements of GASB 74 and GASB 75, the following data is presented.

### Plan Membership

At the October 1, 2019 actuarial valuation and measurement date, plan membership consisted of the following:

| | |
|---|---|
| Inactive plan members or beneficiaries currently receiving benefit payments | 63 |
| Inactive plan members entitled to, but not yet receiving benefit payments | 28 |
| Active plan members | 769 |
| | 860 |

### Investments

*Investment policy*. The City's policy in regard to the allocation of invested assets is established and may be amended by the City Manager. The City Council appointed the City Manager or her successor or her designee as the City's Plan Administrator. The City Manager selected the balanced, moderately aggressive actively-managed investment option (HighMark PLUS) to provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return. The portfolio will be allocated between equity and fixed income investments.

| Asset Class | Strategic Range | Target Allocation | 9/30/2021 Allocation |
|---|---|---|---|
| Equity | 50-70% | 60% | 62% |
| Fixed income | 30-50% | 35% | 37% |
| Cash | 0-20% | 5% | 1% |
| | | 100% | 100% |

*Rate of return*. For the year ended September 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 17.88%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

### Investments – Continued

*Concentrations*. The following investments comprised 5% or more of the OPEB plan's fiduciary net position as of September 30, 2021:

| Asset Class | Investment Vehicle | % of Portfolio |
|---|---|---|
| Equity | Columbia Contrarian Core Inst3 | 6.28% |
| Equity | Vanguard Growth & Income Adm | 11.93% |
| Equity | Dodge & Cox Stock Fund | 5.60% |
| Equity | iShares Russell Midcap ETF | 5.05% |
| Equity | Undiscovered Mgrs Behavrl Val R6 | 5.09% |
| Fixed Income | Vanguard Short-Term Investment-Grade Adm | 5.86% |
| Fixed Income | DoubleLine Core Fixed Income I | 9.64% |
| Fixed Income | PIMCO Total Rturn Instl Fund | 9.66% |
| Fixed Income | PGIM Total Return Bond R6 | 9.62% |

### Net OPEB Liability of the City

The components of the net OPEB liability of the City at September 30 were as follows:

| | 2021 | 2020 |
|---|---|---|
| Total OPEB liability | $ 21,727,868 | $ 20,715,465 |
| Plan fiduciary net position | (11,022,441) | (8,703,542) |
| City's net OPEB liability | $ 10,705,427 | $ 12,011,923 |
| Plan fiduciary net position as a percent of the total OPEB liability | 50.73% | 42.01% |

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets, consistent with the long-term perspective of the calculations.

## NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

### Actuarial Methods and Assumptions – Continued

An actuarial valuation was performed as of October 1, 2019 using the entry age normal actuarial cost method. The liability was then projected forward to the measurement date of September 30, 2021. The actuarial assumptions include:

| | |
|---|---|
| Inflation | 2.5% per annum |
| Salary increases | 3.00% per annum |
| Investment rate of return | 7.50% |
| Healthcare cost trend rates | 10.87% with annual increases/decreases to an ultimate rate of 3.60% in 2042 |
| Dental cost trend rates | 3.00% |

Mortality rates were based on the sex distinct PUB 2010 general employee/retiree headcount weighted mortality table with mortality improvements scale MP-2019. The plan has not had a formal actuarial experience study performed.

The expected return of each asset class is determined through a combination of historical rates of return, valuation projections, and economic expectations. Expected rates of return are developed and annually reviewed by HighMark's Asset Allocation Committee. The long-term expected rate of return on OPEB plan investments is then calculated by weighting the returns for each asset class according to the exposure as determined by the current strategic allocation. The anticipated long-term rate of return is 6.22% with an expected standard deviation of 9.92%. Anticipated long-term returns by asset class are not available.

*Discount rate*. The discount rate used to measure the total OPEB liability was 7.5%. The projection of cash flows used to determine the discount rate assumed the City contributions will be made at rates at least equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Sensitivity of the OPEB liability to changes in the discount rate*. The following presents the net OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current discount rate:

| | 1% Decrease (6.5%) | Discount Rate (7.5%) | 1% Increase (8.5%) |
|---|---|---|---|
| Net OPEB liability | $ 14,053,571 | $ 10,705,427 | $ 7,177,259 |

## NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

### Actuarial Methods and Assumptions – Continued

*Sensitivity of the OPEB liability to changes in the healthcare cost trend rates*. The following presents the net OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

| | 1% Decrease | Current Trend Rates | 1% Increase |
|---|---|---|---|
| Net OPEB liability | $ 8,993,279 | $ 10,705,427 | $ 11,285,202 |

### Net OPEB Liability

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| Balance at 9/30/2020 | $ 20,715,465 | $ 8,703,542 | $ 12,011,923 |
| Changes for the year: | | | |
| Service cost | 287,730 | - | 287,730 |
| Interest | 1,539,416 | - | 1,539,416 |
| Change of benefit terms | - | - | - |
| Difference between expected and actual experience | - | - | - |
| Changes of assumptions | - | - | - |
| Difference in expected and actual net investment income | - | - | - |
| Contributions - employer | - | 1,515,094 | (1,515,094) |
| Contributions - other | 281,524 | 281,524 | - |
| Net investment income | - | 1,618,548 | (1,618,548) |
| Benefit payments, including refunds of employee contributions | (955,297) | (955,297) | - |
| Administrative expense | (140,970) | (140,970) | - |
| Net changes | 1,012,403 | 2,318,899 | (1,306,496) |
| Balance at 9/30/2021 | $ 21,727,868 | $ 11,022,441 | $ 10,705,427 |

*Assumption Changes*. Since the prior valuation, the mortality tables were updated to the new sex distinct headcount weighted PUB-2010 general employees/retirees mortality tables, recently released by the SOA and based upon public plan experience only. Also, the mortality improvement scale was updated to use the MP-2019 table.

## NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of $1,251,154.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 155,971 |
| Changes in actuarial assumptions | 785,239 | - |
| Difference between projected and actual investment earnings | - | 668,470 |
| Total | $ 785,239 | $ 824,441 |

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ending September 30, | Net Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2022 | $ 92,481 |
| 2023 | (47,585) |
| 2024 | (92,841) |
| 2025 | (90,636) |
| 2026 | 99,379 |
| Total | $ (39,202) |

## NOTE 11. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of September 30, 2021, the following funds had excess of expenditures over appropriations:

- Car rental tax special revenue fund in the amount of $3,291,300
- Grant special revenue fund in the amount of $323,089
- Hotel/motel special revenue fund in the amount of $28,975

THE CITY OF
EULESS

# REQUIRED SUPPLEMENTARY INFORMATION

# CITY OF EULESS, TEXAS
# SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
# FOR THE MEASUREMENT YEAR ENDED DECEMBER 31

| | 2020* | 2019* | 2018* | 2017* | 2016* | 2015* | 2014* |
|---|---|---|---|---|---|---|---|
| **Total pension liability** | | | | | | | |
| Service cost | $ 5,645,675 | $ 5,375,963 | $ 5,253,722 | $ 5,149,378 | $ 4,868,631 | $ 4,539,237 | $ 4,331,759 |
| Interest (on the total pension liability) | 15,244,423 | 14,557,634 | 13,864,487 | 13,129,452 | 12,462,429 | 12,302,430 | 11,698,243 |
| Difference in expected and actual experience | (728,824) | (171,396) | (206,128) | 169,296 | (361,966) | (579,992) | (752,184) |
| Change in assumptions | - | 145,747 | - | - | - | (595,757) | - |
| Benefit payments, including refunds | (10,084,210) | (9,652,090) | (7,756,635) | (7,465,146) | (6,990,135) | (6,911,946) | (6,588,671) |
| Net change in total pension liability | 10,077,064 | 10,255,858 | 11,155,446 | 10,982,980 | 9,978,959 | 8,753,972 | 8,689,147 |
| Total pension liability, beginning of year | 228,062,573 | 217,806,715 | 206,651,269 | 195,668,289 | 185,689,330 | 176,935,358 | 168,246,211 |
| Total pension liability, ending of year | $ 238,139,637 | $ 228,062,573 | $ 217,806,715 | $ 206,651,269 | $ 195,668,289 | $ 185,689,330 | $ 176,935,358 |
| **Plan fiduciary net position** | | | | | | | |
| Contributions - employer | $ 5,419,109 | $ 5,192,816 | $ 5,146,736 | $ 5,027,855 | $ 4,691,585 | $ 4,644,735 | $ 4,787,533 |
| Contributions - employee | 2,144,052 | 2,077,001 | 2,023,998 | 1,981,736 | 1,877,709 | 1,801,285 | 1,789,251 |
| Net investment income | 16,076,966 | 28,704,340 | (5,754,957) | 23,456,668 | 10,748,002 | 235,212 | 8,631,343 |
| Benefit payments, including refunds | (10,084,210) | (9,652,090) | (7,756,635) | (7,465,146) | (6,990,135) | (6,911,946) | (6,588,671) |
| Administrative expense | (104,023) | (162,161) | (111,206) | (121,542) | (121,371) | (143,262) | (90,113) |
| Other | (4,058) | (4,871) | (5,810) | (6,160) | (6,539) | (7,076) | (7,409) |
| Net change in plan fiduciary net position | 13,447,836 | 26,155,035 | (6,457,874) | 22,873,411 | 10,199,251 | (381,052) | 8,521,934 |
| Plan fiduciary net position - beginning | 211,787,789 | 185,632,754 | 192,090,628 | 169,217,217 | 159,017,966 | 159,399,018 | 150,877,084 |
| Plan fiduciary net position - ending | $ 225,235,625 | $ 211,787,789 | $ 185,632,754 | $ 192,090,628 | $ 169,217,217 | $ 159,017,966 | $ 159,399,018 |
| Net pension liability - ending | $ 12,904,012 | $ 16,274,784 | $ 32,173,961 | $ 14,560,641 | $ 26,451,072 | $ 26,671,364 | $ 17,536,340 |
| Plan fiduciary net position as a % of TPL | 94.58% | 92.86% | 85.23% | 92.95% | 86.48% | 85.64% | 90.09% |
| Covered payroll | $ 30,616,434 | $ 29,619,629 | $ 28,914,263 | $ 28,308,838 | $ 26,824,411 | $ 25,732,638 | $ 25,560,729 |
| Net pension liability as a % of covered payroll | 42.15% | 54.95% | 111.27% | 51.44% | 98.61% | 103.65% | 68.61% |

* The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

# CITY OF EULESS, TEXAS
# SCHEDULE OF CONTRIBUTIONS – PENSION
# FOR THE FISCAL YEAR ENDED SEPTEMBER 30

| | 2021* | 2020* | 2019* | 2018* | 2017* | 2016* | 2015* |
|---|---|---|---|---|---|---|---|
| Actuarially determined contributions | $ 5,534,917 | $ 5,532,423 | $ 5,174,020 | $ 5,094,779 | $ 4,971,811 | $ 4,670,520 | $ 4,602,538 |
| Actual contributions | (5,534,917) | (5,532,423) | (5,174,020) | (5,094,779) | (4,971,811) | (4,670,520) | (4,602,538) |
| Contributions deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 30,853,753 | $ 31,348,108 | $ 29,411,252 | $ 28,640,420 | $ 28,113,691 | $ 26,464,297 | $ 25,453,407 |
| Ratio of actual contributions to covered payroll amount | 18.02% and 17.70% | 17.70% and 17.51% | 17.80% and 17.51% | 17.76% and 17.80% | 17.49% and 17.76% | 18.05% and 17.49% | 18.73% and 18.05% |

* The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Notes to Schedule**

| | |
|---|---|
| Valuation Date | Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 13 months later |

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | 24 years |
| Asset Valuation Method | 10 year smoothed market; 12% soft corridor |
| Inflation | 2.5% |
| Salary Increases | 3.5% to 11.5% including inflation |
| Investment Rate of Return | 6.75% |
| Retirement Age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018. |
| Mortality | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

# CITY OF EULESS, TEXAS
# SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
# FOR THE FISCAL YEAR ENDED SEPTEMBER 30

| | 2021* | 2020* | 2019* | 2018* | 2017* |
|---|---|---|---|---|---|
| **Total OPEB liability** | | | | | |
| Service cost | $ 287,730 | $ 267,668 | $ 435,930 | $ 447,155 | $ 75,083 |
| Interest on total OPEB liability | 1,539,416 | 1,379,257 | 1,360,548 | 1,271,483 | 825,331 |
| Effect of changes of benefit terms | - | - | - | - | - |
| Effect of difference between expected and actual experience | - | (627,155) | - | 1,459,988 | 432,425 |
| Contributions - other | 281,524 | 276,885 | 270,205 | - | - |
| Effect of changes of assumptions | - | 1,322,815 | - | (798,143) | 5,480,748 |
| Administrative expense | (140,970) | (131,481) | (135,119) | - | - |
| Benefit payments | (955,297) | (898,811) | (1,019,931) | (1,230,281) | (1,332,839) |
| Net change in OPEB liability | 1,012,403 | 1,589,178 | 911,633 | 1,150,202 | 5,480,748 |
| Beginning balance | 20,715,465 | 19,126,287 | 18,214,654 | 17,064,452 | 11,583,704 |
| Ending balance | $ 21,727,868 | $ 20,715,465 | $ 19,126,287 | $ 18,214,654 | $ 17,064,452 |
| **Plan fiduciary net position** | | | | | |
| Contributions - employer | $ 1,515,094 | $ 1,455,171 | $ 1,583,715 | $ 1,754,093 | $ 1,832,839 |
| Contributions - other | 281,524 | 276,885 | 270,205 | 320,471 | - |
| Net investment income | 668,472 | 577,387 | 502,656 | 381,824 | 559,716 |
| Difference in expected and actual net investment income | 950,076 | 11,026 | (226,279) | - | - |
| Benefit payments | (955,297) | (898,811) | (1,019,931) | (1,230,281) | (1,332,839) |
| Administrative expense | (140,970) | (131,481) | (135,119) | (147,597) | (13,525) |
| Net change in plan fiduciary net position | 2,318,899 | 1,290,177 | 975,247 | 1,078,510 | 1,046,191 |
| Beginning balance | 8,703,542 | 7,413,365 | 6,438,118 | 5,359,608 | 4,313,417 |
| Ending balance | $ 11,022,441 | $ 8,703,542 | $ 7,413,365 | $ 6,438,118 | $ 5,359,608 |
| City's net OPEB liability ending | $ 10,705,427 | $ 12,011,923 | $ 11,712,922 | $ 11,776,536 | $ 11,704,844 |
| Plan fiduciary net position as a % of the total OPEB liability | 51% | 42% | 39% | 35% | 31% |
| Covered employee payroll | $ 30,853,753 | $ 31,348,108 | $ 29,411,252 | $ 28,640,420 | $ 25,944,080 |
| City's net OPEB liability as a % of covered employee payroll | 35% | 38% | 40% | 41% | 45% |

* This schedule is presented to illustrate the requirement to show ten years of information. However, until a full ten-year trend is available, the schedule will present the information that is available.

# CITY OF EULESS, TEXAS
# SCHEDULE OF CONTRIBUTIONS – OPEB TRUST
# FOR THE FISCAL YEAR ENDED SEPTEMBER 30

| **Schedule of City OPEB Contributions** | 2021* | 2020* | 2019* | 2018* | 2017* |
|---|---|---|---|---|---|
| Actuarially determined contribution | $ 1,421,454 | $ 1,388,216 | $ 1,486,177 | $ 1,492,738 | $ 1,226,144 |
| Contributed in relation to the actuarially determined contribution | 1,515,094 | 1,455,171 | 1,583,715 | 1,754,093 | 1,832,839 |
| Contribution deficiency (excess) | $ (93,640) | $ (66,955) | $ (97,538) | $ (261,355) | $ (606,695) |
| Covered employee payroll | $ 30,853,753 | $ 31,348,108 | $ 29,411,252 | $ 28,640,420 | $ 25,944,080 |
| Contributions as a percentage of covered employee payroll | 4.9% | 4.6% | 5.4% | 6.1% | 7.1% |

* This schedule is presented to illustrate the requirement to show ten years of information. However, until a full ten-year trend is available, the schedule will present the information that is available.

**Notes to Schedule**

**Significant assumptions used in preparation of actuarial valuation**

| | |
|---|---|
| Valuation date | 10/1/2019 (rolled forward to 9/30/2021) |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Dollar Method |
| Remaining amortization period | 26 years - closed period |
| Amortization period for new losses | 25 years - closed period |
| Asset valuation method | Market value |
| Discount rate | 7.5% |
| Inflation | 2.5% |
| Healthcare cost trend rates | 10.87% declining annually to 3.6% in 2042+ |
| Dental cost trend rates | 3.0% per annum |
| Salary increases including inflation | 3.00% |
| Long-term investment rate of return, net of investment expense | 7.5% |
| Retirement age | Varies with age and service level |
| Mortality | Sex distinct PUB 2010 general employee mortality tables with mortality improvements scale MP-2019 |

**CITY OF EULESS, TEXAS**
**BUDGETARY COMPARISON SCHEDULE**
**GENERAL FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| General property tax | | | | |
| Current and delinquent taxes | $ 17,727,859 | $ 17,727,859 | $ 18,108,409 | $ 380,550 |
| Penalty and interest | 60,000 | 60,000 | 84,442 | 24,442 |
| Total property tax | 17,787,859 | 17,787,859 | 18,192,851 | 404,992 |
| Gross receipts and mixed beverage tax | | | | |
| Telephone line access fee | 50,000 | 50,000 | 115,516 | 65,516 |
| Electric company | 1,720,000 | 1,720,000 | 1,621,932 | (98,068) |
| Gas company | 400,000 | 400,000 | 423,674 | 23,674 |
| Cable TV | 425,000 | 425,000 | 239,970 | (185,030) |
| City garbage service | 280,000 | 280,000 | 319,598 | 39,598 |
| Water and wastewater system | 1,353,976 | 1,353,976 | 1,386,465 | 32,489 |
| Others | 152,750 | 152,750 | 196,125 | 43,375 |
| Total gross receipts and mixed beverage tax | 4,381,726 | 4,381,726 | 4,303,280 | (78,446) |
| General sales tax | 11,927,045 | 11,927,045 | 14,829,385 | 2,902,340 |
| Fines and fees | | | | |
| Municipal court fines | 1,458,600 | 1,458,600 | 1,596,865 | 138,265 |
| Jail income | 200,000 | 200,000 | 88,385 | (111,615) |
| Dog licenses and pound fees | 7,500 | 7,500 | 8,090 | 590 |
| Ambulance fees | 900,000 | 900,000 | 904,563 | 4,563 |
| Library fees | 5,010 | 5,010 | 3,887 | (1,123) |
| Zoning fees | 15,500 | 15,500 | 19,983 | 4,483 |
| Deferred adjudication fee | 78,000 | 78,000 | 80,448 | 2,448 |
| Total fines and fees | 2,664,610 | 2,664,610 | 2,702,221 | 37,611 |
| Licenses and permits | | | | |
| Building permits | 300,000 | 300,000 | 1,153,732 | 853,732 |
| Miscellaneous permits | 280,300 | 280,300 | 273,094 | (7,206) |
| Minimum housing | 65,000 | 65,000 | 125,262 | 60,262 |
| Total licenses and permits | 645,300 | 645,300 | 1,552,088 | 906,788 |
| Investment income | 112,500 | 112,500 | 62,639 | (49,861) |
| Intergovernmental | 426,350 | 426,350 | 431,328 | 4,978 |
| Other revenues | | | | |
| Rental income | 608,526 | 608,526 | 612,925 | 4,399 |
| Swimming pools | 263,145 | 263,145 | 282,149 | 19,004 |
| Miscellaneous income | 332,884 | 332,884 | 163,250 | (169,634) |
| Total other revenues | 1,204,555 | 1,204,555 | 1,058,324 | (146,231) |
| Total revenues | 39,149,945 | 39,149,945 | 43,132,116 | 3,982,171 |

**CITY OF EULESS, TEXAS**
**BUDGETARY COMPARISON SCHEDULE**
**GENERAL FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

**(Continued)**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Expenditures** | | | | |
| Current | | | | |
| Culture and recreation | $ 3,337,500 | $ 3,337,500 | $ 3,120,410 | $ 217,090 |
| Development services | 809,939 | 809,939 | 679,551 | 130,388 |
| General and administrative | 11,198,284 | 12,030,043 | 10,669,881 | 1,360,162 |
| Highways and streets | 1,428,698 | 1,428,698 | 1,352,284 | 76,414 |
| Public safety | 26,449,974 | 26,449,974 | 26,217,453 | 232,521 |
| Total expenditures | 43,224,395 | 44,056,154 | 42,039,579 | 2,016,575 |
| Excess (deficiency) of revenues over (under) expenditures | (4,074,450) | (4,906,209) | 1,092,537 | 5,998,746 |
| **Other financing sources (uses)** | | | | |
| Proceeds from sale of assets | 5,000 | 5,000 | 16,400 | 11,400 |
| Transfers in | 2,213,826 | 2,213,826 | 2,246,496 | 32,670 |
| Transfers out | (1,495,649) | (2,820,649) | (2,827,185) | (6,536) |
| Total other financing sources (uses), net | 723,177 | (601,823) | (564,289) | 37,534 |
| Net change in fund balance | (3,351,273) | (5,508,032) | 528,248 | 6,036,280 |
| Fund balance, beginning of year | 20,218,506 | 20,218,506 | 20,218,506 | - |
| Fund balance, end of year | $ 16,867,233 | $ 14,710,474 | $ 20,746,754 | $ 6,036,280 |

**CITY OF EULESS, TEXAS**
**BUDGETARY COMPARISON SCHEDULE**
**CAR RENTAL SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| Car rental tax | $ 7,361,908 | $ 7,361,908 | $ 13,062,591 | $ 5,700,683 |
| Investment income | 33,500 | 33,500 | 6,447 | (27,053) |
| Total revenues | 7,395,408 | 7,395,408 | 13,069,038 | 5,673,630 |
| **Expenditures** | | | | |
| General and administrative | 5,016,306 | 5,016,306 | 8,699,147 | (3,682,841) |
| Capital outlay | 445,099 | 445,099 | 53,558 | 391,541 |
| Total expenditures | 5,461,405 | 5,461,405 | 8,752,705 | (3,291,300) |
| Excess of revenues over expenditures | 1,934,003 | 1,934,003 | 4,316,333 | 2,382,330 |
| **Other financing uses** | | | | |
| Transfers out | (1,617,990) | (1,617,990) | (1,617,990) | - |
| Total other financing uses | (1,617,990) | (1,617,990) | (1,617,990) | - |
| **Net change in fund balance** | 316,013 | 316,013 | 2,698,343 | 2,382,330 |
| **Fund balance, beginning of year** | 2,190,267 | 2,190,267 | 2,190,267 | - |
| **Fund balance, end of year** | $ 2,506,280 | $ 2,506,280 | $ 4,888,610 | $ 2,382,330 |

**CITY OF EULESS, TEXAS**
**BUDGETARY COMPARISON SCHEDULE**
**GRANT SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| Intergovernmental | $ 50,995 | $ 50,995 | $ 361,763 | $ 310,768 |
| Total revenues | 50,995 | 50,995 | 361,763 | 310,768 |
| **Expenditures** | | | | |
| Culture and recreation | - | - | 20,454 | (20,454) |
| Public safety | 64,061 | 64,061 | 366,696 | (302,635) |
| Total expenditures | 64,061 | 64,061 | 387,150 | (323,089) |
| Deficiency of revenues under expenditures | (13,066) | (13,066) | (25,387) | (12,321) |
| **Other financing sources** | | | | |
| Transfers in | 13,066 | 13,066 | 25,963 | 12,897 |
| Total other financing sources | 13,066 | 13,066 | 25,963 | 12,897 |
| **Net change in fund balance** | - | - | 576 | 576 |
| **Fund balance, beginning of year** | 411 | 411 | 411 | - |
| **Fund balance, end of year** | $ 411 | $ 411 | $ 987 | $ 576 |

## NOTE 1. BUDGET BASIS OF ACCOUNTING

The City Council adheres to the following procedures in establishing budgetary data reflected in the financial statements:

1. Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and expenses and means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to September 30, the budget is legally enacted through passage of an ordinance and a budgetary report is prepared.

4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revision that alters the total expenditures or expenses of any fund must be approved by the City Council. The budget presented reflects revisions made during the year. The legal level of control is at the fund level.

5. A budget is legally adopted for the general fund and special revenue funds on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. Appropriations and encumbrances lapse at year-end.

6. Formal budgetary integration is not employed for the debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

7. Budgetary data for the capital projects funds has not been presented in the accompanying basic financial statements as such funds are budgeted over the life of the respective projects and not on an annual basis. Accordingly, formal budgetary integration of the capital projects funds is not employed and comparison of actual results of operations to budgetary data for such funds is not presented.

8. Appropriated budgets for the proprietary funds are also adopted but have not been presented since reporting on such budgets is not legally required.

The Budgetary Comparison Schedules – general fund, car rental tax special revenue fund, and grant special revenue fund present a comparison of budgetary data to actual results. These funds utilize the same basis of accounting for both budgetary purposes and actual results.

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

# NON-MAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Hotel/Motel Fund – to account for the operations and expenditures for which hotel/motel occupancy taxes are used. Occupancy tax revenues are used primarily for advertising and promotion of the City.

Half-Penny Sales Tax Fund – to account for the sales tax revenues and expenditures of the Euless Development Corporation, a component unit of the City of Euless. The revenues can only be spent on parks, library, debt service, and economic development activities within the City of Euless.

Police Drug Enforcement Fund – to account for proceeds from the sale of assets seized in connection with drug arrests. Revenues are used solely for police department expenditures.

Crime Control and Prevention District Fund – to account for the revenues and expenditures of this component unit of the City of Euless. The revenues are collected from sales taxes and expenditures can only be spent for police department operations and capital as approved by the Crime Control and Prevention District Board.

Police Seized Asset Fund – to account for resources received from asset forfeiture pursuant to court judgment File No. 09-13-640 to be administered in compliance with Chapter 59, Texas Code of Criminal Procedure.

Juvenile Case Fund – to account for a fee added to municipal court citations. This fee is used to support the expenditures associated with juvenile case processing.

Glade Parks Public Improvement District (PID) Fund – to account for the accumulation of resources from an assessment levied upon properties within the district boundaries. The resources are utilized for the repayment of debt issued to fund public improvements within the district. The district assesses property owners only for the portion of the debt payment not covered with resources of the Glade Parks TIRZ #3.

Tax Increment Reinvestment Zone (TIRZ) #3 – Glade Parks Fund (TIRZ #3) – to account for the accumulation of a portion of the incremental property taxes from taxing entities participating in the tax increment reinvestment zone. The resources are used for the repayment of debt issued to fund public improvements within the zone.

# NON-MAJOR GOVERNMENTAL FUNDS – Continued

Midtown Public Improvement District (PID) Fund – to account for the accumulation of resources from an assessment levied upon properties within the district boundaries. The resources are utilized for the repayment of debt issued to fund public improvements within the district.

Midtown TIRZ #4 Fund – to account for the accumulation of a portion of the incremental property taxes from taxing entities participating in the tax increment reinvestment zone. The resources are used for the repayment of debt issued to fund public improvements within the zone. The TIRZ #4 fund revenues reduce the amount of revenue needed from the Midtown PID fund to pay debt service.

Cable PEG Fees Fund – to account for a 1% fee collected from cable channel providers for expansion of the city's public, educational, and governmental access channel.

## CAPITAL PROJECTS FUNDS

Half-Penny Sales Tax CIP Fund – to account for bond proceeds and sales tax receipts to be expended for capital projects funded by the Euless Development Corporation, a component unit of the City of Euless.

Developers' Contribution Fund – to account for funds received for the purpose of making new and future improvements to various development areas within the City.

General CIP Fund – to account for various general construction projects within the City.

Redevelopment CIP Fund – to account for land acquisition and revitalization projects designed to enhance development and promote redevelopment throughout the community.

Midtown Reserve Fund – to account for resources used to establish the initial debt reserve fund per the Midtown construction, funding, and development agreement.

TIRZ #4 Midtown CIP Fund – to account for construction projects and the means of financing such projects within the development area generally known as Euless Midtown.

Car Rental CIP Fund – to account for building and infrastructure projects that are funded from short-term motor vehicle rental tax.

# CITY OF EULESS, TEXAS
# COMBINING BALANCE SHEET
# NON-MAJOR GOVERNMENTAL FUNDS
# SEPTEMBER 30, 2021

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Hotel/ Motel Fund | Half-Penny Sales Tax Fund | Police Drug Enforce-ment Fund | Crime Control and Prevention District Fund |
| **ASSETS** | | | | |
| Deposits and investments | $ 1,016,781 | $ 4,980,085 | $ 608,510 | $ 1,514,977 |
| Accounts receivable | 362,657 | - | - | - |
| Property taxes receivable | - | - | - | - |
| Accrued interest receivable | - | 743 | - | - |
| Due from other governments | - | 1,150,991 | - | 576,503 |
| Prepaids | - | 162 | - | 924 |
| Restricted deposits and investments | - | - | - | - |
| Total assets | $ 1,379,438 | $ 6,131,981 | $ 608,510 | $ 2,092,404 |
| **LIABILITIES** | | | | |
| Accounts payable | $ 173,019 | $ 122,067 | $ 5,577 | $ 51,767 |
| Contracts payable | - | - | - | - |
| Accrued salaries and wages | - | 47,762 | - | 51,490 |
| Total liabilities | 173,019 | 169,829 | 5,577 | 103,257 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable revenue | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - |
| **FUND BALANCES** | | | | |
| Nonspendable | - | 162 | - | 924 |
| Restricted, debt service | - | 411,842 | - | - |
| Restricted, capital projects | - | - | - | - |
| Restricted, developer agreements | - | - | - | - |
| Restricted, juvenile case management | - | - | - | - |
| Restricted, cable PEG fees | - | - | - | - |
| Restricted, historical preservation | 1,245 | - | - | - |
| Assigned | 1,205,174 | 5,550,148 | 602,933 | 1,988,223 |
| Total fund balances | 1,206,419 | 5,962,152 | 602,933 | 1,989,147 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 1,379,438 | $ 6,131,981 | $ 608,510 | $ 2,092,404 |

| Special Revenue Funds | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Police Seized Assets Fund | Juvenile Case Fund | Glade Parks PID Fund | TIRZ #3 Glade Parks Fund | Midtown PID Fund | TIRZ #4 Midtown Fund | Cable PEG Fees Fund | Special Revenue Funds Totals |
| $ 233,630 | $ 197,976 | $ 750,000 | $ 2,537,477 | $ 124,155 | $ 379,053 | $ 568,786 | $ 12,911,430 |
| - | 4,495 | - | 65,352 | - | 3,109 | 22,000 | 457,613 |
| - | - | - | 42,404 | - | 15,331 | - | 57,735 |
| - | - | - | - | - | - | - | 743 |
| - | - | - | - | - | - | - | 1,727,494 |
| - | - | - | - | - | - | - | 1,086 |
| - | - | - | - | - | - | - | - |
| $ 233,630 | $ 202,471 | $ 750,000 | $ 2,645,233 | $ 124,155 | $ 397,493 | $ 590,786 | $ 15,156,101 |
| $ - | $ 291 | $ - | $ - | $ 1,990 | $ - | $ 1,334 | $ 356,045 |
| - | - | - | - | - | - | - | - |
| 392 | 1,303 | - | - | - | - | - | 100,947 |
| 392 | 1,594 | - | - | 1,990 | - | 1,334 | 456,992 |
| - | 4,520 | - | - | - | - | - | 4,520 |
| - | 4,520 | - | - | - | - | - | 4,520 |
| - | - | - | - | - | - | - | 1,086 |
| - | - | 750,000 | - | - | - | - | 1,161,842 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | 196,357 | - | - | - | - | - | 196,357 |
| - | - | - | - | - | - | 589,452 | 589,452 |
| - | - | - | - | - | - | - | 1,245 |
| 233,238 | - | - | 2,645,233 | 122,165 | 397,493 | - | 12,744,607 |
| 233,238 | 196,357 | 750,000 | 2,645,233 | 122,165 | 397,493 | 589,452 | 14,694,589 |
| $ 233,630 | $ 202,471 | $ 750,000 | $ 2,645,233 | $ 124,155 | $ 397,493 | $ 590,786 | $ 15,156,101 |

# CITY OF EULESS, TEXAS
# COMBINING BALANCE SHEET
# NON-MAJOR GOVERNMENTAL FUNDS
# SEPTEMBER 30, 2021

| | Capital Project Funds | | | |
|---|---|---|---|---|
| | Half-Penny Sales Tax CIP Fund | Developers' Contribution Fund | General CIP Fund | Redevelopment CIP Fund |
| **ASSETS** | | | | |
| Deposits and investments | $ 648,969 | $ 2,220,232 | $ 2,306,674 | $ 61,232 |
| Accounts receivable | - | - | 14,004 | - |
| Property taxes receivable | - | - | - | - |
| Accrued interest receivable | - | 89 | - | - |
| Due from other governments | - | - | - | - |
| Prepaids | - | - | - | - |
| Restricted deposits and investments | 285,980 | - | 5,146,273 | - |
| Total assets | $ 934,949 | $ 2,220,321 | $ 7,466,951 | $ 61,232 |
| **LIABILITIES** | | | | |
| Accounts payable | $ - | $ - | $ 1,277 | $ 12,488 |
| Contracts payable | 113,338 | - | 716,019 | - |
| Accrued salaries and wages | - | - | - | - |
| Total liabilities | 113,338 | - | 717,296 | 12,488 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable revenue | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - |
| **FUND BALANCES** | | | | |
| Nonspendable | - | - | - | - |
| Restricted, debt service | - | - | - | - |
| Restricted, capital projects | 172,642 | - | 4,430,254 | - |
| Restricted, developer agreements | - | 2,220,321 | - | - |
| Restricted, juvenile case management | - | - | - | - |
| Restricted, cable PEG fees | - | - | - | - |
| Restricted, historical preservation | - | - | - | - |
| Assigned | 648,969 | - | 2,319,401 | 48,744 |
| Total fund balances | 821,611 | 2,220,321 | 6,749,655 | 48,744 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 934,949 | $ 2,220,321 | $ 7,466,951 | $ 61,232 |

| Capital Project Funds | | | | |
|---|---|---|---|---|
| Midtown Reserve Fund | TIRZ #4 Midtown CIP Fund | Car Rental CIP Fund | Capital Project Funds Totals | Total Non-major Governmental Funds |
| $ - | $ - | $ 1,917,596 | $ 7,154,703 | $ 20,066,133 |
| - | - | - | 14,004 | 471,617 |
| - | - | - | - | 57,735 |
| - | - | 63 | 152 | 895 |
| - | - | - | - | 1,727,494 |
| - | - | - | - | 1,086 |
| 999,725 | 69,475 | - | 6,501,453 | 6,501,453 |
| $ 999,725 | $ 69,475 | $ 1,917,659 | $ 13,670,312 | $ 28,826,413 |
| $ - | $ - | $ 37,404 | $ 51,169 | $ 407,214 |
| - | - | - | 829,357 | 829,357 |
| - | - | - | - | 100,947 |
| - | - | 37,404 | 880,526 | 1,337,518 |
| - | - | - | - | 4,520 |
| - | - | - | - | 4,520 |
| - | - | - | - | 1,086 |
| - | - | - | - | 1,161,842 |
| 999,725 | 69,475 | - | 5,672,096 | 5,672,096 |
| - | - | - | 2,220,321 | 2,220,321 |
| - | - | - | - | 196,357 |
| - | - | - | - | 589,452 |
| - | - | - | - | 1,245 |
| - | - | 1,880,255 | 4,897,369 | 17,641,976 |
| 999,725 | 69,475 | 1,880,255 | 12,789,786 | 27,484,375 |
| $ 999,725 | $ 69,475 | $ 1,917,659 | $ 13,670,312 | $ 28,826,413 |

# CITY OF EULESS, TEXAS
# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
# YEAR ENDED SEPTEMBER 30, 2021

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Hotel/ Motel Fund | Half-Penny Sales Tax Fund | Police Drug Enforce-ment Fund | Crime Control and Prevention District Fund |
| **Revenues** | | | | |
| General property tax | $ - | $ - | $ - | $ - |
| Gross receipts tax | 1,182,845 | - | - | - |
| General sales tax | - | 6,096,234 | - | 3,037,265 |
| Investment income | 287 | 2,923 | 239 | 399 |
| DEA revenues | - | - | 117,144 | - |
| Rents and royalties | - | 88,580 | - | - |
| Other revenues | - | - | - | 6,878 |
| Total revenues | 1,183,132 | 6,187,737 | 117,383 | 3,044,542 |
| **Expenditures** | | | | |
| Culture and recreation | - | 2,901,168 | - | - |
| Development services | - | 245,368 | - | - |
| General and administrative | 175,775 | 228,787 | - | - |
| Public safety | - | - | 34,004 | 2,108,446 |
| Debt service | | | | |
| Principal | - | 205,000 | - | - |
| Interest and fiscal charges | - | 189,725 | - | - |
| Capital outlay | - | 33,514 | 17,780 | 25,482 |
| Total expenditures | 175,775 | 3,803,562 | 51,784 | 2,133,928 |
| Excess (deficiency) of revenues over (under) expenditures | 1,007,357 | 2,384,175 | 65,599 | 910,614 |
| **Other financing sources (uses)** | | | | |
| Proceeds from sale of assets | - | 4,125 | - | - |
| Transfers in | - | - | 5,000 | - |
| Transfers out | (377,374) | (424,826) | - | (5,000) |
| Total other financing sources (uses) | (377,374) | (420,701) | 5,000 | (5,000) |
| **Net change in fund balances** | 629,983 | 1,963,474 | 70,599 | 905,614 |
| **Fund balance, beginning of year** | 576,436 | 3,998,678 | 532,334 | 1,083,533 |
| **Fund balance, end of year** | $ 1,206,419 | $ 5,962,152 | $ 602,933 | $ 1,989,147 |

| Special Revenue Funds | | | | | | | |
|---|---|---|---|---|---|---|---|
| Police Seized Asset Fund | Juvenile Case Fund | Glade Parks PID Fund | TIRZ #3 Glade Parks Fund | Midtown PID Fund | TIRZ #4 Midtown Fund | Cable PEG Fees Fund | Special Revenue Funds Totals |
| $ - | $ - | $ - | $ 1,527,120 | $ - | $ 361,460 | $ - | $ 1,888,580 |
| - | - | - | - | - | - | 89,657 | 1,272,502 |
| - | - | - | 401,180 | - | 9,019 | - | 9,543,698 |
| 96 | 104 | - | 746 | 100 | - | 238 | 5,132 |
| - | - | - | - | - | - | - | 117,144 |
| - | - | - | - | - | - | - | 88,580 |
| - | 43,913 | - | - | 982,070 | - | - | 1,032,861 |
| 96 | 44,017 | - | 1,929,046 | 982,170 | 370,479 | 89,895 | 13,948,497 |
| - | - | - | - | - | - | - | 2,901,168 |
| - | - | - | - | - | - | - | 245,368 |
| - | 105,296 | - | - | 11,801 | - | 42,255 | 563,914 |
| 21,516 | - | - | - | - | - | - | 2,163,966 |
| - | - | - | - | - | - | - | 205,000 |
| - | - | - | - | - | - | - | 189,725 |
| - | - | - | - | - | - | 66,850 | 143,626 |
| 21,516 | 105,296 | - | - | 11,801 | - | 109,105 | 6,412,767 |
| (21,420) | (61,279) | - | 1,929,046 | 970,369 | 370,479 | (19,210) | 7,535,730 |
| - | - | - | - | - | - | - | 4,125 |
| - | - | - | - | - | - | - | 5,000 |
| - | - | - | (1,138,167) | (972,754) | (100,009) | - | (3,018,130) |
| - | - | - | (1,138,167) | (972,754) | (100,009) | - | (3,009,005) |
| (21,420) | (61,279) | - | 790,879 | (2,385) | 270,470 | (19,210) | 4,526,725 |
| 254,658 | 257,636 | 750,000 | 1,854,354 | 124,550 | 127,023 | 608,662 | 10,167,864 |
| $ 233,238 | $ 196,357 | $ 750,000 | $ 2,645,233 | $ 122,165 | $ 397,493 | $ 589,452 | $ 14,694,589 |

# CITY OF EULESS, TEXAS
# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
# YEAR ENDED SEPTEMBER 30, 2021

| | Capital Project Funds | | | |
|---|---|---|---|---|
| | Half-Penny Sales Tax CIP Fund | Developers' Contribution Fund | General CIP Fund | Redevelopment CIP Fund |
| **Revenues** | | | | |
| General property tax | $ - | $ - | $ - | $ - |
| Gross receipts tax | - | - | - | - |
| General sales tax | - | - | - | - |
| Investment income | 1,290 | 6,155 | 4,716 | 704 |
| DEA revenues | - | - | - | - |
| Rents and royalties | - | - | 85,234 | - |
| Other revenues | - | 385 | 33,958 | - |
| Total revenues | 1,290 | 6,540 | 123,908 | 704 |
| **Expenditures** | | | | |
| Culture and recreation | 87,838 | 500 | - | - |
| Development services | - | - | - | - |
| General and administrative | - | - | - | 10,402 |
| Public safety | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Capital outlay | 2,592,254 | - | 2,849,282 | 3,414,133 |
| Total expenditures | 2,680,092 | 500 | 2,849,282 | 3,424,535 |
| Excess (deficiency) of revenues over (under) expenditures | (2,678,802) | 6,040 | (2,725,374) | (3,423,831) |
| **Other financing sources (uses)** | | | | |
| Proceeds from sale of assets | - | - | - | - |
| Transfers in | 250,000 | - | 205,728 | 2,075,000 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 250,000 | - | 205,728 | 2,075,000 |
| **Net change in fund balances** | (2,428,802) | 6,040 | (2,519,646) | (1,348,831) |
| **Fund balance, beginning of year** | 3,250,413 | 2,214,281 | 9,269,301 | 1,397,575 |
| **Fund balance, end of year** | $ 821,611 | $ 2,220,321 | $ 6,749,655 | $ 48,744 |

| Capital Project Funds | | | | | |
|---|---|---|---|---|---|
| Midtown Reserve Fund | TIRZ #4 Midtown CIP Fund | Car Rental CIP Fund | Capital Project Funds Totals | Total Non-major Governmental Funds | |
| $ - | $ - | $ - | $ - | $ 1,888,580 | |
| - | - | - | - | 1,272,502 | |
| - | - | - | - | 9,543,698 | |
| - | - | 6,311 | 19,176 | 24,308 | |
| - | - | - | - | 117,144 | |
| - | - | - | 85,234 | 173,814 | |
| - | - | - | 34,343 | 1,067,204 | |
| - | - | 6,311 | 138,753 | 14,087,250 | |
| - | - | - | 88,338 | 2,989,506 | |
| - | - | - | - | 245,368 | |
| - | - | 8,621 | 19,023 | 582,937 | |
| - | - | - | - | 2,163,966 | |
| - | - | - | - | 205,000 | |
| - | - | - | - | 189,725 | |
| - | - | 430,987 | 9,286,656 | 9,430,282 | |
| - | - | 439,608 | 9,394,017 | 15,806,784 | |
| - | - | (433,297) | (9,255,264) | (1,719,534) | |
| - | - | - | - | 4,125 | |
| - | - | - | 2,530,728 | 2,535,728 | |
| - | - | - | - | (3,018,130) | |
| - | - | - | 2,530,728 | (478,277) | |
| - | - | (433,297) | (6,724,536) | (2,197,811) | |
| 999,725 | 69,475 | 2,313,552 | 19,514,322 | 29,682,186 | |
| $ 999,725 | $ 69,475 | $ 1,880,255 | $ 12,789,786 | $ 27,484,375 | |

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**
**HOTEL / MOTEL SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| Gross receipts tax | $ 528,338 | $ 528,338 | $ 1,182,845 | $ 654,507 |
| Investment income | 4,000 | 4,000 | 287 | (3,713) |
| Total revenues | 532,338 | 532,338 | 1,183,132 | 650,794 |
| **Expenditures** | | | | |
| General and administrative | 146,800 | 146,800 | 175,775 | (28,975) |
| Total expenditures | 146,800 | 146,800 | 175,775 | (28,975) |
| Excess of revenues over expenditures | 385,538 | 385,538 | 1,007,357 | 621,819 |
| **Other financing uses** | | | | |
| Transfers out | (377,374) | (377,374) | (377,374) | - |
| Total other financing uses | (377,374) | (377,374) | (377,374) | - |
| **Net change in fund balance** | 8,164 | 8,164 | 629,983 | 621,819 |
| **Fund balance, beginning of year** | 576,436 | 576,436 | 576,436 | - |
| **Fund balance, end of year** | $ 584,600 | $ 584,600 | $ 1,206,419 | $ 621,819 |

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**
**HALF-PENNY SALES TAX SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| General sales tax | $ 4,901,755 | $ 4,901,755 | $ 6,096,234 | $ 1,194,479 |
| Investment income | 10,000 | 10,000 | 2,923 | (7,077) |
| Rents and royalties | 73,580 | 73,580 | 88,580 | 15,000 |
| Total revenues | 4,985,335 | 4,985,335 | 6,187,737 | 1,202,402 |
| **Expenditures** | | | | |
| Culture and recreation | 3,536,367 | 3,630,881 | 2,934,682 | 696,199 |
| Development services | 727,992 | 727,992 | 245,368 | 482,624 |
| General and administrative | 330,165 | 364,520 | 228,787 | 135,733 |
| Debt service | | | | |
| Principal | 205,000 | 205,000 | 205,000 | - |
| Interest and fiscal charges | 189,605 | 189,605 | 189,725 | (120) |
| Total expenditures | 4,989,129 | 5,117,998 | 3,803,562 | 1,314,436 |
| Excess (deficiency) of revenues over (under) expenditures | (3,794) | (132,663) | 2,384,175 | 2,516,838 |
| **Other financing sources (uses)** | | | | |
| Proceeds from sale of assets | - | - | 4,125 | 4,125 |
| Transfers out | (467,896) | (467,896) | (424,826) | 43,070 |
| Total other financing sources (uses) | (467,896) | (467,896) | (420,701) | 47,195 |
| **Net change in fund balance** | (471,690) | (600,559) | 1,963,474 | 2,564,033 |
| **Fund balance, beginning of year** | 3,998,678 | 3,998,678 | 3,998,678 | - |
| **Fund balance, end of year** | $ 3,526,988 | $ 3,398,119 | $ 5,962,152 | $ 2,564,033 |

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**
**POLICE DRUG ENFORCEMENT SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| Investment income | $ 2,050 | $ 2,050 | $ 239 | $ (1,811) |
| DEA revenues | - | - | 117,144 | 117,144 |
| Total revenues | 2,050 | 2,050 | 117,383 | 115,333 |
| **Expenditures** | | | | |
| Public safety | 179,162 | 199,162 | 51,784 | 147,378 |
| Total expenditures | 179,162 | 199,162 | 51,784 | 147,378 |
| Excess (deficiency) of revenues over (under) expenditures | (177,112) | (197,112) | 65,599 | 262,711 |
| **Other financing sources** | | | | |
| Transfers in | - | - | 5,000 | 5,000 |
| Total other financing sources | - | - | 5,000 | 5,000 |
| **Net change in fund balance** | (177,112) | (197,112) | 70,599 | 267,711 |
| **Fund balance, beginning of year** | 532,334 | 532,334 | 532,334 | - |
| **Fund balance, end of year** | $ 355,222 | $ 335,222 | $ 602,933 | $ 267,711 |

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**
**CRIME CONTROL AND PREVENTION DISTRICT SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| General sales tax | $ 2,156,768 | $ 2,156,768 | $ 3,037,265 | $ 880,497 |
| Other revenue | - | - | 6,878 | 6,878 |
| Investment income | 5,000 | 5,000 | 399 | (4,601) |
| Total revenues | 2,161,768 | 2,161,768 | 3,044,542 | 882,774 |
| **Expenditures** | | | | |
| Public safety | 2,205,685 | 2,205,685 | 2,133,928 | 71,757 |
| Total expenditures | 2,205,685 | 2,205,685 | 2,133,928 | 71,757 |
| Excess (deficiency) of revenues over (under) expenditures | (43,917) | (43,917) | 910,614 | 954,531 |
| **Other financing uses** | | | | |
| Transfers out | - | - | (5,000) | (5,000) |
| Total other financing uses | - | - | (5,000) | (5,000) |
| **Net change in fund balance** | (43,917) | (43,917) | 905,614 | 949,531 |
| **Fund balance, beginning of year** | 1,083,533 | 1,083,533 | 1,083,533 | - |
| **Fund balance, end of year** | $ 1,039,616 | $ 1,039,616 | $ 1,989,147 | $ 949,531 |

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**
**POLICE SEIZED ASSETS SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| Investment income | $ 1,000 | $ 1,000 | $ 96 | $ (904) |
| Total revenues | 1,000 | 1,000 | 96 | (904) |
| **Expenditures** | | | | |
| Public safety | 34,104 | 34,104 | 21,516 | 12,588 |
| Total expenditures | 34,104 | 34,104 | 21,516 | 12,588 |
| **Net change in fund balance** | (33,104) | (33,104) | (21,420) | 11,684 |
| **Fund balance, beginning of year** | 254,658 | 254,658 | 254,658 | - |
| **Fund balance, end of year** | $ 221,554 | $ 221,554 | $ 233,238 | $ 11,684 |

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**
**JUVENILE CASE SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| Investment income | $ 1,800 | $ 1,800 | $ 104 | $ (1,696) |
| Other revenues | 52,200 | 52,200 | 43,913 | (8,287) |
| Total revenues | 54,000 | 54,000 | 44,017 | (9,983) |
| **Expenditures** | | | | |
| General and administrative | 126,658 | 126,658 | 105,296 | 21,362 |
| Total expenditures | 126,658 | 126,658 | 105,296 | 21,362 |
| **Net change in fund balance** | (72,658) | (72,658) | (61,279) | 11,379 |
| **Fund balance, beginning of year** | 257,636 | 257,636 | 257,636 | - |
| **Fund balance, end of year** | $ 184,978 | $ 184,978 | $ 196,357 | $ 11,379 |

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**
**TIRZ #3 GLADE PARKS SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| General property tax | $ 1,538,782 | $ 1,538,782 | $ 1,527,120 | $ (11,662) |
| General sales tax | 290,950 | 290,950 | 401,180 | 110,230 |
| Investment income | 2,500 | 2,500 | 746 | (1,754) |
| Total revenues | 1,832,232 | 1,832,232 | 1,929,046 | 96,814 |
| **Other financing uses** | | | | |
| Transfers out | (1,138,167) | (1,138,167) | (1,138,167) | - |
| Total other financing uses | (1,138,167) | (1,138,167) | (1,138,167) | - |
| **Net change in fund balance** | 694,065 | 694,065 | 790,879 | 96,814 |
| **Fund balance, beginning of year** | 1,854,354 | 1,854,354 | 1,854,354 | - |
| **Fund balance, end of year** | $ 2,548,419 | $ 2,548,419 | $ 2,645,233 | $ 96,814 |

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**
**MIDTOWN PID SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| Other revenues | $ 1,109,756 | $ 1,109,756 | $ 982,070 | $ (127,686) |
| Investment income | - | - | 100 | 100 |
| Total revenues | 1,109,756 | 1,109,756 | 982,170 | (127,586) |
| **Expenditures** | | | | |
| General and administrative | 36,993 | 36,993 | 11,801 | 25,192 |
| Total expenditures | 36,993 | 36,993 | 11,801 | 25,192 |
| Excess of revenues over expenditures | 1,072,763 | 1,072,763 | 970,369 | (102,394) |
| **Other financing uses** | | | | |
| Transfers out | (972,754) | (972,754) | (972,754) | - |
| Total other financing uses | (972,754) | (972,754) | (972,754) | - |
| **Net change in fund balance** | 100,009 | 100,009 | (2,385) | (102,394) |
| **Fund balance, beginning of year** | 124,550 | 124,550 | 124,550 | - |
| **Fund balance, end of year** | $ 224,559 | $ 224,559 | $ 122,165 | $ (102,394) |

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**
**TIRZ #4 MIDTOWN SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| Property tax revenues | $ 383,189 | $ 383,189 | $ 361,460 | $ (21,729) |
| General sales tax | 16,800 | 16,800 | 9,019 | (7,781) |
| Total revenues | 399,989 | 399,989 | 370,479 | (29,510) |
| **Other financing uses** | | | | |
| Transfers out | (100,009) | (100,009) | (100,009) | - |
| Total other financing uses | (100,009) | (100,009) | (100,009) | - |
| **Net change in fund balance** | 299,980 | 299,980 | 270,470 | (29,510) |
| **Fund balance, beginning of year** | 127,023 | 127,023 | 127,023 | - |
| **Fund balance, end of year** | $ 427,003 | $ 427,003 | $ 397,493 | $ (29,510) |

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**
**CABLE PEG FEES SPECIAL REVENUE FUND**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues** | | | | |
| Gross receipts tax | $ 105,000 | $ 105,000 | $ 89,657 | $ (15,343) |
| Investment income | 5,000 | 5,000 | 238 | (4,762) |
| Total revenues | 110,000 | 110,000 | 89,895 | (20,105) |
| **Expenditures** | | | | |
| General and administrative | 50,000 | 50,000 | 42,255 | 7,745 |
| Capital outlay | 60,000 | 60,000 | 66,850 | (6,850) |
| Total expenditures | 110,000 | 110,000 | 109,105 | 895 |
| **Net change in fund balance** | - | - | (19,210) | (19,210) |
| **Fund balance, beginning of year** | 608,662 | 608,662 | 608,662 | - |
| **Fund balance, end of year** | $ 608,662 | $ 608,662 | $ 589,452 | $ (19,210) |

# INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Equipment Replacement Fund – to account for the accumulation of funds to be used for replacement of existing equipment. Funding is provided annually by the user departments.

Insurance Fund – to account for the revenues and expenses resulting from providing health insurance to the City's employees.

Risk Management/Workers' Compensation (Risk/WC) Fund – to account for the revenue and expenses applicable to providing workers' compensation coverage for all City employees, as well as, general liability and property coverage.

**CITY OF EULESS, TEXAS**
**COMBINING STATEMENT OF NET POSITION**
**INTERNAL SERVICE FUNDS**
**SEPTEMBER 30, 2021**

| | Equipment Replacement Fund | Insurance Fund | Risk/WC Fund | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Deposits and investments | $ 11,776,261 | $ 6,465,562 | $ 2,348,828 | $ 20,590,651 |
| Accounts receivable | - | 173,583 | 58,885 | 232,468 |
| Prepaid expenses | 958,744 | - | - | 958,744 |
| Accrued interest receivable | 2,834 | 710 | 43 | 3,587 |
| Restricted deposits and investments | 652,016 | | | 652,016 |
| Total current assets | 13,389,855 | 6,639,855 | 2,407,756 | 22,437,466 |
| Property, plant, and equipment, at cost | | | | |
| Equipment | 15,869,288 | - | 170,157 | 16,039,445 |
| Less accumulated depreciation | 10,109,200 | - | 83,332 | 10,192,532 |
| Net property, plant, and equipment | 5,760,088 | - | 86,825 | 5,846,913 |
| Total assets | 19,149,943 | 6,639,855 | 2,494,581 | 28,284,379 |
| **LIABILITIES** | | | | |
| **Current Liabilities** | | | | |
| Accounts payable | 12,086 | 20,823 | 278,417 | 311,326 |
| Accrued salary and wages | - | 2,702 | 1,494 | 4,196 |
| Current portion of compensated absences | - | 416 | 240 | 656 |
| Accrued insurance claims | - | 840,000 | 2,843 | 842,843 |
| Total current liabilities | 12,086 | 863,941 | 282,994 | 1,159,021 |
| **Non-current Liabilities** | | | | |
| Compensated absences | - | 3,741 | 2,164 | 5,905 |
| Total non-current liabilities | - | 3,741 | 2,164 | 5,905 |
| Total liabilities | 12,086 | 867,682 | 285,158 | 1,164,926 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 6,412,104 | - | 86,825 | 6,498,929 |
| Unrestricted | 12,725,753 | 5,772,173 | 2,122,598 | 20,620,524 |
| Total net position | $ 19,137,857 | $ 5,772,173 | $ 2,209,423 | $ 27,119,453 |

**CITY OF EULESS, TEXAS**
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**
**INTERNAL SERVICE FUNDS**
**YEAR ENDED SEPTEMBER 30, 2021**

| | Equipment Replacement Fund | Insurance Fund | Risk/WC Fund | Total |
|---|---|---|---|---|
| **Operating revenues** | | | | |
| Insurance premiums | $ - | $ 6,199,743 | $ 502,993 | $ 6,702,736 |
| Service fees and miscellaneous | 2,562,590 | 1,075,015 | - | 3,637,605 |
| Total operating revenues | 2,562,590 | 7,274,758 | 502,993 | 10,340,341 |
| **Operating expenses** | | | | |
| General and administrative | 377,107 | 1,701,609 | 236,913 | 2,315,629 |
| Insurance costs | - | 5,488,320 | 818,069 | 6,306,389 |
| Depreciation | 1,457,727 | - | 15,629 | 1,473,356 |
| Total operating expenses | 1,834,834 | 7,189,929 | 1,070,611 | 10,095,374 |
| Operating income (loss) | 727,756 | 84,829 | (567,618) | 244,967 |
| **Nonoperating revenues** | | | | |
| Gain on sale of capital assets | 231,775 | - | - | 231,775 |
| Investment income | 12,514 | 7,032 | 929 | 20,475 |
| Total nonoperating revenues | 244,289 | 7,032 | 929 | 252,250 |
| Income (loss) before transfers | 972,045 | 91,861 | (566,689) | 497,217 |
| **Transfers** | | | | |
| Transfers in | 1,695,000 | - | 512,000 | 2,207,000 |
| Total transfers | 1,695,000 | - | 512,000 | 2,207,000 |
| **Change in net position** | 2,667,045 | 91,861 | (54,689) | 2,704,217 |
| **Net position, beginning of year** | 16,470,812 | 5,680,312 | 2,264,112 | 24,415,236 |
| **Net position, end of year** | $ 19,137,857 | $ 5,772,173 | $ 2,209,423 | $ 27,119,453 |

# CITY OF EULESS, TEXAS
# COMBINING STATEMENT OF CASH FLOWS
# INTERNAL SERVICE FUNDS
# YEAR ENDED SEPTEMBER 30, 2021

| | Equipment Replacement Fund | Insurance Fund | Risk/WC Fund | Total |
|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | |
| Cash received from customers | $ 2,562,590 | $ 7,126,426 | $ 571,350 | $ 10,260,366 |
| Cash payments to suppliers for goods and services | (1,376,355) | (6,918,439) | (1,126,070) | (9,420,864) |
| Cash payments to employees for services | - | (81,837) | (54,270) | (136,107) |
| Net cash provided by (used in) operating activities | 1,186,235 | 126,150 | (608,990) | 703,395 |
| **NONCAPITAL FINANCING ACTIVITIES** | | | | |
| Transfers in | 1,695,000 | - | 512,000 | 2,207,000 |
| Net cash provided by noncapital financing activities | 1,695,000 | - | 512,000 | 2,207,000 |
| **CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Acquisition/construction of capital assets | (1,739,822) | - | - | (1,739,822) |
| Proceeds from sale of capital assets | 231,775 | - | - | 231,775 |
| Net cash used in capital and related financing activities | (1,508,047) | - | - | (1,508,047) |
| **INVESTING ACTIVITIES** | | | | |
| Interest received on investments | 16,632 | 7,419 | 886 | 24,937 |
| Net cash provided by investing activities | 16,632 | 7,419 | 886 | 24,937 |
| Net change in cash and cash equivalents | 1,389,820 | 133,569 | (96,104) | 1,427,285 |
| **Cash and cash equivalents, beginning of year** | 11,038,457 | 6,331,993 | 2,444,932 | 19,815,382 |
| **Cash and cash equivalents, end of year** | $ 12,428,277 | $ 6,465,562 | $ 2,348,828 | $ 21,242,667 |
| **Reconciliation of operating income (loss) to net cash provided by (used in) operating activities** | | | | |
| Operating income (loss) | $ 727,756 | $ 84,829 | $ (567,618) | $ 244,967 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Depreciation expense | 1,457,727 | - | 15,629 | 1,473,356 |
| Change in assets and liabilities | | | | |
| Receivables | - | (148,332) | 68,357 | (79,975) |
| Prepaids | (958,744) | - | - | (958,744) |
| Accounts payable | (40,504) | (11,969) | (126,159) | (178,632) |
| Accrued salaries and wages | - | 622 | 801 | 1,423 |
| Accrued insurance claims | - | 201,000 | - | 201,000 |
| **Net cash provided by (used in) operating activities** | $ 1,186,235 | $ 126,150 | $ (608,990) | $ 703,395 |
| **Reconciliation of cash to balance sheet:** | | | | |
| Cash - current | $ 11,776,261 | $ 6,465,562 | $ 2,348,828 | $ 20,590,651 |
| Cash - restricted | 652,016 | - | - | 652,016 |
| Cash and cash equivalents | $ 12,428,277 | $ 6,465,562 | $ 2,348,828 | $ 21,242,667 |

THE CITY OF
EULESS

# STATISTICAL SECTION
# (Unaudited)

# STATISTICAL SECTION
**(Unaudited)**

The statistical section of the City of Euless' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.


| Contents | Tables |
|---|---|
| Financial Trends<br>The financial trend schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 1-4 |
| Revenue Capacity<br>The revenue capacity schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | 5-8 |
| Debt Capacity<br>The debt capacity schedules present information to help the reader assess the affordability of the City's current level of outstanding debt (including that of its blended component units) and the City's ability to issue additional debt in the future. | 9-12 |
| Demographic and Economic Information<br>The demographic and economic schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities occur. | 13-14 |
| Operating Information<br>The operating information schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs. | 15-17 |

# CITY OF EULESS, TEXAS
# NET POSITION BY COMPONENT – LAST TEN FISCAL YEARS
# (Accrual Basis of Accounting – Unaudited)

Table 1

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | $ 77,828,950 | $ 88,228,282 | $ 94,162,906 | $ 99,539,958 | $ 108,135,655 | $ 113,509,089 | $ 112,710,338 | $ 99,744,023 | $ 104,018,729 | $ 130,459,839 |
| Restricted | 4,426,819 | 4,138,774 | 4,999,085 | 5,666,450 | 17,508,943 | 10,293,057 | 13,620,993 | 26,158,342 | 30,103,225 | 7,441,090 |
| Unrestricted | 27,192,202 | 24,910,579 | 23,921,387 | 17,302,574 | 3,610,521 | 12,466,943 | 10,698,663 | 18,071,669 | 25,147,659 | 37,117,415 |
| Total governmental activities net position | $ 109,447,971 | $ 117,277,635 | $ 123,083,378 | $ 122,508,982 | $ 129,255,119 | $ 136,269,089 | $ 137,029,994 | $ 143,974,034 | $ 159,269,613 | $ 175,018,344 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | $ 52,202,849 | $ 52,334,570 | $ 55,160,900 | $ 55,396,268 | $ 59,184,256 | $ 62,421,284 | $ 63,283,054 | $ 65,621,697 | $ 66,554,698 | $ 64,950,870 |
| Restricted for debt service | 309,595 | 314,171 | 317,758 | 733,562 | 733,164 | 733,264 | 1,018,037 | 1,426,830 | 1,425,701 | 1,426,103 |
| Restricted for capital projects | - | - | 232,300 | 1,183,350 | 4,265,268 | 1,166,442 | 3,962,644 | 10,646,450 | 4,256,167 | - |
| Restricted for impact fees | 2,401,217 | 2,740,656 | 1,876,393 | 1,966,315 | 1,980,150 | 2,467,095 | 2,895,677 | 3,047,942 | 3,010,687 | 3,247,897 |
| Unrestricted | 17,703,257 | 18,150,441 | 15,047,592 | 12,554,695 | 11,122,601 | 14,528,797 | 12,286,319 | 7,130,279 | 14,728,131 | 23,441,214 |
| Total business-type activities net position | $ 72,616,918 | $ 73,539,838 | $ 72,634,943 | $ 71,834,190 | $ 77,285,439 | $ 81,316,882 | $ 83,445,731 | $ 87,873,198 | $ 89,975,384 | $ 93,066,084 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | $ 130,031,799 | $ 140,562,852 | $ 149,323,806 | $ 154,936,226 | $ 167,319,911 | $ 175,930,373 | $ 175,993,392 | $ 165,365,720 | $ 170,573,427 | $ 195,410,709 |
| Restricted | 7,137,631 | 7,193,601 | 7,425,536 | 9,549,677 | 24,487,525 | 14,659,858 | 21,497,351 | 41,279,564 | 38,795,780 | 12,115,090 |
| Unrestricted | 44,895,459 | 43,061,020 | 38,968,979 | 29,857,269 | 14,733,122 | 26,995,740 | 22,984,982 | 25,201,948 | 39,875,790 | 60,558,629 |
| Total primary government net position | $ 182,064,889 | $ 190,817,473 | $ 195,718,321 | $ 194,343,172 | $ 206,540,558 | $ 217,585,971 | $ 220,475,725 | $ 231,847,232 | $ 249,244,997 | $ 268,084,428 |

**Source:** Annual Comprehensive Financial Reports

# CITY OF EULESS, TEXAS
# CHANGES IN NET POSITION – LAST TEN FISCAL YEARS
# (Accrual Basis of Accounting – Unaudited)

Table 2

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| **Expenses** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Culture and recreation | $ 5,680,772 | $ 6,025,540 | $ 6,424,683 | $ 6,468,332 | $ 6,998,904 | $ 7,349,035 | $ 7,070,484 | $ 7,330,168 | $ 5,538,905 | $ 6,890,021 |
| Development services | 972,770 | 1,155,089 | 1,367,005 | 877,713 | 918,214 | 999,153 | 1,038,328 | 1,057,414 | 1,062,784 | 903,633 |
| General and administrative | 15,910,313 | 17,145,752 | 18,017,535 | 19,949,733 | 20,722,236 | 20,816,148 | 21,356,342 | 21,112,696 | 20,827,914 | 20,604,298 |
| Highways and streets | 2,968,770 | 3,334,188 | 3,578,341 | 3,374,422 | 3,708,184 | 4,143,412 | 3,787,336 | 7,193,189 | 3,601,998 | 3,905,567 |
| Public safety | 22,316,429 | 23,324,328 | 24,278,144 | 23,807,143 | 26,673,966 | 28,265,072 | 27,424,253 | 30,352,705 | 27,354,689 | 27,489,405 |
| Interest on long-term debt | 1,327,482 | 1,227,084 | 1,126,017 | 1,136,786 | 1,807,001 | 1,502,912 | 1,632,302 | 2,010,814 | 2,560,933 | 2,507,261 |
| Total governmental activities expenses | 49,176,536 | 52,211,981 | 54,791,725 | 55,614,129 | 60,828,505 | 63,075,732 | 62,309,045 | 69,056,986 | 60,947,223 | 62,300,185 |
| Business-type activities: | | | | | | | | | | |
| Water and wastewater | 17,813,199 | 18,554,761 | 20,298,024 | 19,970,346 | 21,009,701 | 21,673,844 | 23,225,786 | 23,493,321 | 25,333,182 | 24,823,460 |
| Drainage utility | 1,283,617 | 1,245,838 | 1,373,036 | 1,319,999 | 1,414,483 | 1,396,736 | 1,515,183 | 1,563,021 | 1,502,275 | 1,571,836 |
| Golf | 4,599,099 | 4,750,359 | 4,152,015 | 4,155,834 | 4,409,773 | 4,632,475 | 4,764,095 | 4,731,810 | 3,997,255 | 4,201,337 |
| Other recreation enterprises | 2,115,730 | 2,312,949 | 2,288,337 | 2,009,582 | 2,211,065 | 2,321,414 | 2,416,337 | 2,270,768 | 1,491,533 | 1,568,441 |
| Total business-type activities expenses | 25,811,645 | 26,863,907 | 28,111,412 | 27,455,761 | 29,045,022 | 30,024,469 | 31,921,401 | 32,058,920 | 32,324,245 | 32,165,074 |
| Total primary government expenses | 74,988,181 | 79,075,888 | 82,903,137 | 83,069,890 | 89,873,527 | 93,100,201 | 94,230,446 | 101,115,906 | 93,271,468 | 94,465,259 |
| **Program Revenues** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Fees, fines, and charges for services | | | | | | | | | | |
| Culture and recreation | 65,912 | 297,361 | 304,283 | 317,024 | 291,349 | 264,307 | 252,000 | 266,091 | 10,124 | $ 295,097 |
| Development services | 1,263,477 | 1,186,347 | 1,321,040 | 1,409,703 | 1,717,416 | 2,019,496 | 1,875,120 | 2,133,420 | 1,697,637 | 1,578,146 |
| General and administrative | 1,760,023 | 1,383,779 | 1,347,600 | 1,342,091 | 1,285,797 | 1,156,745 | 1,066,075 | 861,929 | 1,067,485 | 687,136 |
| Highways and streets | 54,622 | 112,736 | 218,012 | 93,258 | 350,920 | 607,588 | 988,302 | 1,114,507 | 1,075,865 | 982,070 |
| Public safety | 3,097,141 | 3,355,604 | 3,567,917 | 3,452,086 | 3,383,743 | 3,151,407 | 3,104,895 | 2,541,205 | 2,288,377 | 2,325,458 |
| Operating grants and contributions | 481,655 | 2,978,933 | 633,080 | 597,437 | 578,007 | 592,870 | 740,969 | 622,061 | 3,594,939 | 810,821 |
| Capital grants and contributions | 689,642 | 1,213,341 | 1,552,118 | 3,228,945 | 3,375,733 | 2,356,556 | 2,354,450 | 1,304,420 | 2,190,770 | 396,317 |
| Total governmental activities program revenues | 7,412,472 | 10,528,101 | 8,944,050 | 10,440,544 | 10,982,965 | 10,148,969 | 10,381,811 | 8,843,633 | 11,925,197 | 7,075,045 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water and wastewater | 18,437,963 | 19,183,198 | 19,353,144 | 20,593,262 | 23,759,236 | 24,178,812 | 27,504,814 | 26,400,731 | 26,934,154 | 28,571,921 |
| Drainage utility | 705,474 | 708,984 | 712,971 | 716,595 | 725,152 | 730,202 | 818,622 | 826,711 | 833,890 | 842,003 |
| Golf | 4,335,149 | 4,520,224 | 3,622,952 | 4,168,578 | 4,187,728 | 4,247,345 | 4,337,003 | 4,067,026 | 3,363,915 | 4,350,610 |
| Other recreation enterprises | 2,041,878 | 2,138,600 | 2,241,920 | 1,848,434 | 2,059,413 | 2,168,944 | 2,123,825 | 2,197,926 | 884,286 | 1,433,139 |
| Operating grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Capital grants and contributions | 368,882 | 1,847,097 | 2,037,263 | 1,746,638 | 2,943,188 | 2,280,769 | 1,729,219 | 3,058,291 | 2,677,913 | 1,002,393 |
| Total business-type activities program revenues | 25,889,346 | 28,398,103 | 27,968,250 | 29,073,507 | 33,674,717 | 33,606,072 | 36,513,483 | 36,550,685 | 34,694,158 | 36,200,066 |
| Total primary government program revenues | 33,301,818 | 38,926,204 | 36,912,300 | 39,514,051 | 44,657,682 | 43,755,041 | 46,895,294 | 45,394,318 | 46,619,355 | 43,275,111 |
| | (Continued) | (Continued) | (Continued) | (Continued) | (Continued) | (Continued) | (Continued) | (Continued) | (Continued) | (Continued) |

# CITY OF EULESS, TEXAS
# CHANGES IN NET POSITION – LAST TEN FISCAL YEARS
# (Accrual Basis of Accounting – Unaudited) – Continued

Table 2

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net (Expense) Revenue** | | | | | | | | | | |
| Governmental activities | $ (41,764,064) | $ (41,683,880) | $ (45,847,675) | $ (45,173,585) | $ (49,845,540) | $ (52,926,763) | $ (51,927,234) | $ (60,213,353) | $ (49,022,026) | $ (55,225,140) |
| Business-type activities | 77,701 | 1,534,196 | (143,162) | 1,617,746 | 4,629,695 | 3,581,603 | 4,592,082 | 4,491,765 | 2,369,913 | 4,034,992 |
| Total primary government net expense | (41,686,363) | (40,149,684) | (45,990,837) | (43,555,839) | (45,215,845) | (49,345,160) | (47,335,152) | (55,721,588) | (46,652,113) | (51,190,148) |
| **General Revenues and Other Changes in Net Position** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes, levied for general purposes | 12,451,543 | 12,744,753 | 13,488,816 | 14,358,074 | 14,752,044 | 16,656,028 | 18,630,301 | 20,428,821 | 22,837,075 | 24,195,500 |
| Sales taxes | 14,957,757 | 16,142,357 | 17,525,123 | 18,359,717 | 20,364,878 | 21,252,491 | 20,728,210 | 21,419,831 | 22,088,364 | 24,373,082 |
| Car rental taxes | 12,933,884 | 13,592,255 | 14,082,518 | 14,112,552 | 14,842,109 | 14,401,763 | 14,776,566 | 14,797,320 | 10,042,659 | 13,062,591 |
| Mixed beverage taxes | 54,138 | 60,823 | 69,160 | 84,533 | 101,503 | 128,250 | 154,035 | 138,219 | 146,188 | 171,687 |
| Hotel/motel occupancy taxes | 292,931 | 329,368 | 343,312 | 391,991 | 696,805 | 798,905 | 864,829 | 841,588 | 924,551 | 1,182,845 |
| Gross receipts taxes | 4,276,136 | 4,209,564 | 4,458,682 | 4,556,355 | 4,467,535 | 4,455,137 | 4,811,119 | 4,549,026 | 4,238,664 | 4,221,250 |
| Investment income | 132,607 | 106,521 | 70,374 | 127,367 | 271,786 | 451,406 | 963,670 | 1,882,696 | 1,054,661 | 123,646 |
| Rents and royalties | 397,527 | 1,481,305 | 1,390,283 | 1,166,832 | 1,105,829 | 1,149,534 | 1,223,788 | 1,348,465 | 1,462,429 | 1,574,739 |
| Gain on sale of assets | 68,329 | 117,763 | 84,664 | - | - | 124,792 | - | - | - | - |
| Miscellaneous | 637,975 | 35,884 | 48,773 | 35,128 | 692,939 | 755,996 | 772,773 | 930,764 | 971,040 | 1,081,893 |
| Transfers | 690,629 | 692,951 | 531,974 | 722,702 | (703,751) | (233,569) | 760,590 | 820,663 | 551,974 | 986,638 |
| Total governmental activities | 46,893,456 | 49,513,544 | 52,093,679 | 53,915,251 | 56,591,677 | 59,940,733 | 63,685,881 | 67,157,393 | 64,317,605 | 70,973,871 |
| Business-type activities: | | | | | | | | | | |
| Investment income | 60,752 | 40,045 | 34,063 | 40,282 | 104,618 | 158,805 | 385,513 | 746,865 | 368,999 | 42,346 |
| Gain on disposal of assets | - | 41,630 | - | 4,199 | 13,185 | 57,466 | 2,873 | 9,500 | (84,752) | - |
| Transfers | (690,629) | (692,951) | (531,974) | (722,702) | 703,751 | 233,569 | (760,590) | (820,663) | (551,974) | (986,638) |
| Total business-type activities | (629,877) | (611,276) | (497,911) | (678,221) | 821,554 | 449,840 | (372,204) | (64,298) | (267,727) | (944,292) |
| Total primary government | 46,263,579 | 48,902,268 | 51,595,768 | 53,237,030 | 57,413,231 | 60,390,573 | 63,313,677 | 67,093,095 | 64,049,878 | 70,029,579 |
| **Change in Net Position** | | | | | | | | | | |
| Governmental activities | 5,129,392 | 7,829,664 | 6,246,004 | 8,741,666 | 6,746,137 | 7,013,970 | 11,758,647 | 6,944,040 | 15,295,579 | 15,748,731 |
| Business-type activities | (552,176) | 922,920 | (641,073) | 939,525 | 5,451,249 | 4,031,443 | 4,219,878 | 4,427,467 | 2,102,186 | 3,090,700 |
| Total primary government | $ 4,577,216 | $ 8,752,584 | $ 5,604,931 | $ 9,681,191 | $ 12,197,386 | $ 11,045,413 | $ 15,978,525 | $ 11,371,507 | $ 17,397,765 | $ 18,839,431 |
| | (concluded) | (concluded) | (concluded) | (concluded) | (concluded) | (concluded) | (concluded) | (concluded) | (concluded) | (concluded) |

**Source:** Annual Comprehensive Financial Reports

# CITY OF EULESS, TEXAS
# FUND BALANCES, GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS
## (Modified Accrual Basis of Accounting – Unaudited)

Table 3

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Fund | | | | | | | | | | |
| Nonspendable | $ 28,796 | $ 49,262 | $ 48,072 | $ 47,834 | $ 35,250 | $ 52,050 | $ 51,409 | $ 74,835 | $ 158,975 | $ 223,609 |
| Restricted | 258,765 | 124,312 | 120,093 | 109,618 | 121,041 | 104,340 | 125,753 | 132,954 | 123,748 | 117,674 |
| Assigned | 111,096 | 121,542 | 121,334 | 116,336 | 113,655 | 107,657 | 121,708 | 135,720 | 145,057 | 164,801 |
| Unreserved/Unassigned | 8,913,078 | 9,595,558 | 10,560,958 | 10,775,542 | 11,973,524 | 13,185,421 | 14,255,823 | 16,630,106 | 19,790,726 | 20,240,670 |
| Total general fund | $ 9,311,735 | $ 9,890,674 | $ 10,850,457 | $ 11,049,330 | $ 12,243,470 | $ 13,449,468 | $ 14,554,693 | $ 16,973,615 | $ 20,218,506 | $ 20,746,754 |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | $ 5,803 | $ 9,464 | $ 34,704 | $ 15,399 | $ 7,738 | $ 22,028 | $ 12,427 | $ - | $ 24,873 | $ 1,086 |
| Restricted for: | | | | | | | | | | |
| Debt service | 1,867,971 | 1,776,644 | 2,377,710 | 2,477,981 | 1,995,548 | 2,285,719 | 2,765,013 | 3,429,240 | 3,828,633 | 4,316,041 |
| Capital projects | 606,505 | 365,641 | 398,756 | 594,211 | 12,715,424 | 4,985,922 | 7,501,009 | 19,287,010 | 22,369,460 | 18,996,535 |
| Other | 1,694,821 | 1,872,178 | 2,089,735 | 2,455,941 | 2,718,045 | 2,952,158 | 3,229,218 | 3,309,138 | 3,081,384 | 3,007,375 |
| Assigned | 15,802,863 | 13,504,412 | 12,692,185 | 13,765,385 | 12,541,184 | 14,730,171 | 21,356,289 | 19,461,628 | 17,221,925 | 22,761,358 |
| Total all other governmental funds | $ 19,977,963 | $ 17,528,339 | $ 17,593,090 | $ 19,308,917 | $ 29,977,939 | $ 24,975,998 | $ 34,863,956 | $ 45,487,016 | $ 46,526,275 | $ 49,082,395 |

**Source:** Annual Comprehensive Financial Reports

# CITY OF EULESS, TEXAS
# CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
# LAST TEN FISCAL YEARS
# (Modified Accrual Basis of Accounting – Unaudited)

Table 4

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | | | |
| General property tax | $ 12,382,757 | $ 12,893,583 | $ 13,468,394 | $ 14,351,598 | $ 14,771,632 | $ 16,674,673 | $ 18,652,639 | $ 20,408,581 | $ 22,736,528 | $ 24,144,693 |
| Gross receipts tax | 4,623,205 | 4,599,755 | 4,871,154 | 5,032,879 | 5,265,843 | 5,382,292 | 5,829,983 | 5,528,832 | 5,309,401 | 5,575,782 |
| General sales tax | 14,957,757 | 16,142,357 | 17,525,123 | 18,359,717 | 20,364,878 | 21,252,491 | 20,728,209 | 21,419,831 | 22,088,364 | 24,373,083 |
| Car rental tax | 12,933,884 | 13,592,255 | 14,082,518 | 14,112,552 | 14,842,109 | 14,401,763 | 14,776,566 | 14,797,320 | 10,042,659 | 13,062,591 |
| Fines and fees | 4,278,738 | 4,627,199 | 4,646,390 | 4,289,681 | 4,461,439 | 3,961,369 | 3,806,964 | 3,313,059 | 2,835,050 | 2,702,221 |
| Licenses and permits | 1,233,465 | 1,152,875 | 1,286,753 | 1,379,332 | 1,682,431 | 1,997,082 | 1,847,315 | 2,105,716 | 1,673,143 | 1,552,088 |
| Investment income | 107,195 | 92,118 | 57,880 | 105,443 | 237,949 | 385,769 | 821,642 | 1,623,907 | 869,827 | 103,170 |
| DEA revenues | 12,488 | 3,571 | 15,316 | 39,292 | 18,274 | 9,994 | 2,656 | 18,353 | 13,678 | 117,144 |
| Intergovernmental | 1,012,673 | 2,839,545 | 461,484 | 906,695 | 507,966 | 1,490,142 | 813,633 | 629,332 | 3,738,184 | 793,091 |
| Rents and royalties | 1,111,873 | 1,024,021 | 1,390,283 | 637,196 | 612,365 | 628,486 | 668,036 | 635,553 | 635,464 | 711,814 |
| Other revenues | 1,206,611 | 1,383,172 | 1,210,086 | 1,795,395 | 1,943,007 | 1,996,374 | 2,217,797 | 2,362,730 | 2,387,958 | 2,125,528 |
| Total Revenues | 53,860,646 | 58,350,451 | 59,015,381 | 61,009,780 | 64,707,893 | 68,180,435 | 70,165,440 | 72,843,214 | 72,330,256 | 75,261,205 |
| Expenditures: | | | | | | | | | | |
| Culture and recreation | 4,676,100 | 5,171,477 | 5,558,463 | 5,704,520 | 6,023,057 | 6,324,436 | 6,372,535 | 6,258,492 | 6,785,529 | 6,120,370 |
| Development services | 688,296 | 806,275 | 1,017,903 | 882,212 | 862,571 | 931,119 | 1,036,278 | 1,001,587 | 1,065,028 | 924,919 |
| General and administrative | 15,539,673 | 17,207,934 | 17,711,441 | 18,357,428 | 18,975,116 | 18,985,489 | 19,790,021 | 19,038,500 | 18,727,050 | 19,881,563 |
| Highways and streets | 861,748 | 1,144,223 | 1,351,404 | 1,606,372 | 1,688,714 | 1,616,714 | 1,222,905 | 4,555,735 | 1,322,786 | 1,180,954 |
| Public safety | 21,074,399 | 22,192,488 | 23,121,457 | 23,521,280 | 24,698,550 | 26,068,993 | 26,977,362 | 27,738,238 | 28,322,488 | 28,534,814 |
| Debt Service: | | | | | | | | | | |
| Principal | 8,210,000 | 3,975,000 | 5,567,404 | 4,284,197 | 3,530,000 | 3,848,825 | 4,761,697 | 4,828,848 | 4,605,000 | 4,635,000 |
| Interest and fiscal charges | 1,361,259 | 1,241,776 | 1,148,069 | 1,243,589 | 1,743,450 | 1,516,936 | 1,662,399 | 1,943,495 | 2,627,550 | 2,462,387 |
| Issuance costs | 184,966 | 26,064 | - | - | - | - | - | - | - | - |
| Capital outlay | 3,727,193 | 10,390,582 | 2,672,010 | 9,086,345 | 14,871,624 | 10,600,631 | 6,839,864 | 8,979,048 | 16,839,574 | 14,879,407 |
| Total expenditures | 56,323,634 | 62,155,819 | 58,148,151 | 64,685,943 | 72,393,082 | 69,893,143 | 68,663,061 | 74,343,943 | 80,295,005 | 78,619,414 |
| Excess (deficiency) of revenues over (under) expenditures | (2,462,988) | (3,805,368) | 867,230 | (3,676,163) | (7,685,189) | (1,712,708) | 1,502,379 | (1,500,729) | (7,964,749) | (3,358,209) |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Capital lease | - | 1,446,603 | - | - | - | 249,370 | - | - | - | - |
| Issuance of debt | 9,740,000 | 1,160,000 | - | 11,400,000 | 20,760,000 | - | 9,805,000 | 13,420,000 | 12,345,000 | 6,985,000 |
| Payment of escrow for refunding | (5,381,310) | (1,190,252) | - | (6,074,450) | - | - | - | - | - | - |
| Premiums on issuance of debt | 260,435 | 79,046 | - | 789,428 | 403,354 | - | 264,116 | 869,936 | 524,348 | 401,414 |
| Proceeds from sale of assets | - | - | - | - | - | - | 23,513 | 25,625 | 118,830 | 20,525 |
| Transfers in | 8,134,018 | 6,278,531 | 4,366,649 | 5,897,789 | 7,468,038 | 8,845,061 | 13,942,847 | 11,040,601 | 10,122,378 | 8,193,943 |
| Transfers out | (7,668,389) | (5,839,245) | (4,209,345) | (6,421,904) | (9,083,041) | (11,177,666) | (14,544,672) | (10,813,451) | (10,861,657) | (9,158,305) |
| Total other financing sources | 5,084,754 | 1,934,683 | 157,304 | 5,590,863 | 19,548,351 | (2,083,235) | 9,490,804 | 14,542,711 | 12,248,899 | 6,442,577 |
| Net change in fund balances | $ 2,621,766 | $ (1,870,685) | $ 1,024,534 | $ 1,914,700 | $ 11,863,162 | $ (3,795,943) | $ 10,993,183 | $ 13,041,982 | $ 4,284,150 | $ 3,084,368 |
| Debt service as a percentage of noncapital expenditures | 18.5% | 10.1% | 12.1% | 9.9% | 9.2% | 9.0% | 10.4% | 10.4% | 11.4% | 11.1% |

**Source:** Annual Comprehensive Financial Reports

**CITY OF EULESS, TEXAS**
**ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY – LAST TEN FISCAL YEARS**
**(Unaudited)**

Table 5

| Fiscal Year | Estimated Value: Real Property | Estimated Value: Personal Property | Total Value | Less: Tax-Exempt Property | Total Taxable Value | Total Direct Tax Rate |
|---|---|---|---|---|---|---|
| 2012 | 2,610,172,289 | 389,778,962 | 2,999,951,251 | 348,227,246 | 2,651,724,005 | 0.470000 |
| 2013 | 2,661,959,213 | 445,909,463 | 3,107,868,676 | 351,726,906 | 2,756,141,770 | 0.470000 |
| 2014 | 2,759,268,619 | 461,065,240 | 3,220,333,859 | 356,283,956 | 2,864,049,903 | 0.470000 |
| 2015 | 2,920,206,326 | 509,189,960 | 3,429,396,286 | 369,393,032 | 3,060,003,254 | 0.467500 |
| 2016 | 3,352,029,682 | 513,118,652 | 3,865,148,334 | 410,557,810 | 3,454,590,524 | 0.467500 |
| 2017 | 3,470,371,005 | 531,751,946 | 4,002,122,951 | 450,853,105 | 3,551,269,846 | 0.462500 |
| 2018 | 3,922,338,493 | 564,286,167 | 4,486,624,660 | 492,318,425 | 3,994,306,235 | 0.462500 |
| 2019 | 4,353,413,236 | 576,907,417 | 4,930,320,653 | 549,709,999 | 4,380,610,654 | 0.462500 |
| 2020 | 4,877,396,769 | 628,387,146 | 5,505,783,915 | 599,654,547 | 4,906,129,368 | 0.462500 |
| 2021 | 5,160,656,914 | 666,521,372 | 5,827,178,286 | 631,904,229 | 5,195,274,057 | 0.462500 |

Source: Tarrant Appraisal District

**CITY OF EULESS, TEXAS**
**DIRECT AND OVERLAPPING PROPERTY TAX RATES (per $100 of Assessed Value) – LAST TEN FISCAL YEARS**
**(Unaudited)**

Table 6

| | City Direct Rates | | | Overlapping Rates | | | | |
|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Operating / General Rate | General Obligation Debt Service | Total Direct Rate | Hurst-Euless-Bedford ISD | Grapevine-Colleyville ISD | Tarrant County | Tarrant County Hospital District | Tarrant County Community College |
| 2012 | 0.345388 | 0.124612 | 0.470000 | 1.4140 | 1.3100 | 0.2640 | 0.2280 | 0.1490 |
| 2013 | 0.355130 | 0.114870 | 0.470000 | 1.4075 | 1.3201 | 0.2640 | 0.2279 | 0.1490 |
| 2014 | 0.360619 | 0.109381 | 0.470000 | 1.3875 | 1.3201 | 0.2640 | 0.2279 | 0.1495 |
| 2015 | 0.364505 | 0.102995 | 0.467500 | 1.3750 | 1.3201 | 0.2640 | 0.2279 | 0.1495 |
| 2016 | 0.366571 | 0.100929 | 0.467500 | 1.3500 | 1.3201 | 0.2640 | 0.2279 | 0.1495 |
| 2017 | 0.363053 | 0.099447 | 0.462500 | 1.3160 | 1.3967 | 0.2540 | 0.2279 | 0.1447 |
| 2018 | 0.361056 | 0.101444 | 0.462500 | 1.2630 | 1.3967 | 0.2440 | 0.2244 | 0.1401 |
| 2019 | 0.371710 | 0.090790 | 0.462500 | 1.2730 | 1.3967 | 0.2340 | 0.2244 | 0.1361 |
| 2020 | 0.377974 | 0.084526 | 0.462500 | 1.2200 | 1.3267 | 0.2340 | 0.2244 | 0.1302 |
| 2021 | 0.381954 | 0.080546 | 0.462500 | 1.1980 | 1.3031 | 0.2340 | 0.0819 | 0.1302 |

**Sources:** City of Euless Budget Office, Tarrant Appraisal District

# CITY OF EULESS, TEXAS
# PRINCIPAL PROPERTY TAXPAYERS
## Current Year and Nine Years Ago
## (Unaudited)

Table 7

| Fiscal Year 2021 | | | Fiscal Year 2012 | | |
|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value [1] | Taxpayer | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value [2] |
| EAN Holdings LLC | $ 114,881,525 | 2.21 % | EAN Holdings, LLC | $ 54,422,607 | 2.05 % |
| Westdale Hills 2013 LP | 105,567,635 | 2.03 | Hertz Corp | 45,099,623 | 1.70 |
| Star Monticello LLC/Star Kensington LLC | 101,260,000 | 1.95 | UDR The Mandolin LLC | 44,018,000 | 1.66 |
| Creekwood Trinity Union LLC | 81,300,000 | 1.56 | Avis Budget Group LLC | 40,082,937 | 1.51 |
| WOP Mandolin LLC | 80,700,000 | 1.55 | IRA Stoneleigh FEECO LLC | 37,294,700 | 1.41 |
| Avis Budget Car Rental LLC | 76,057,108 | 1.46 | CMF 15 Portfolio LLC | 37,200,000 | 1.40 |
| Brazos TX Partners LLC | 73,900,000 | 1.42 | Big Vineyard Villae MSV LLC | 34,483,841 | 1.30 |
| Stoneleigh at Bear Creek Apt. | 66,500,000 | 1.28 | Oncor Electric Delivery Co. LLC | 33,715,628 | 1.27 |
| Bedrock Holdings II (Dallas) LLC | 62,900,000 | 1.21 | Somerset Village Partners LP | 33,352,614 | 1.26 |
| CMF 15 Portfolio LLC | 62,790,000 | 1.21 | AP WP Vineyard Reit LLC | 33,000,000 | 1.24 |
| Total | $ 825,856,268 | 15.88 % | Total | $ 392,669,950 | 14.80 % |

**Source:** Tarrant County Tax Office

**Notes:**

[1] Total Taxable Value including real and personal property for tax year 2020 (fiscal year 2021) is $5,195,274,057.

[2] Total Taxable Value including real and personal property for tax year 2011 (fiscal year 2012) is $2,651,724,005.

# CITY OF EULESS, TEXAS
# PROPERTY TAX LEVIES AND COLLECTIONS – LAST TEN FISCAL YEARS
# (Unaudited)

Table 8

| Fiscal Year | Taxes Levied Within the Fiscal Year of the Levy | Adjustments to Levy in Subsequent Years | Adjusted Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collection | | Delinquent Taxes | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Amount | Percentage of Levy | | Amount | Percentage of Levy | Amount | Percentage of Levy |
| 2012 | 12,436,816 | (89,925) | 12,346,891 | 12,252,510 | 99.24% | 81,802 | 12,334,312 | 99.90% | 12,579 | 0.11% |
| 2013 | 12,926,215 | (227,241) | 12,698,974 | 12,648,635 | 99.60% | 36,604 | 12,685,239 | 99.89% | 13,735 | 0.11% |
| 2014 | 13,426,248 | (70,742) | 13,355,506 | 13,303,694 | 99.61% | 35,429 | 13,339,123 | 99.88% | 16,383 | 0.13% |
| 2015 | 14,245,865 | (194,614) | 14,051,251 | 14,049,020 | 99.98% | (12,168) | 14,036,852 | 99.90% | 14,399 | 0.11% |
| 2016 | 13,671,980 | 870,932 | 14,542,912 | 14,481,033 | 99.58% | 45,245 | 14,526,278 | 99.89% | 16,634 | 0.12% |
| 2017 | 15,828,162 | 378,172 | 16,206,334 | 16,191,555 | 99.92% | (1,778) | 16,189,777 | 99.90% | 16,557 | 0.11% |
| 2018 | 18,199,497 | (43,090) | 18,156,407 | 18,131,429 | 99.87% | 8,120 | 18,139,549 | 99.91% | 16,858 | 0.11% |
| 2019 | 19,850,820 | (60,806) | 19,790,014 | 19,769,021 | 99.77% | (6,146) | 19,762,875 | 99.86% | 27,139 | 0.19% |
| 2020 | 22,134,132 | (51,428) | 22,082,704 | 21,970,578 | 99.26% | 26,517 | 21,997,095 | 99.61% | 85,609 | 0.39% |
| 2021 | 23,340,538 | - | 23,340,538 | 23,180,576 | 99.31% | - | 23,180,576 | 99.31% | 159,962 | 0.69% |

**Source:** Tarrant County Tax Office and Tarrant Appraisal District

# CITY OF EULESS, TEXAS
# RATIO OF OUTSTANDING DEBT BY TYPE – LAST TEN FISCAL YEARS
# (Unaudited)

Table 9

| | Governmental Activities | | | | | | Business-Type Activities | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Certificates of Obligation | Tax Notes | Sales Tax Revenue Bonds | Capital Leases | Premiums/ Discounts on Debt Issues and Losses on Refundings [1] | W&S Revenue Bonds | General Obligation Refunding Bonds | Premiums/ Discounts on Debt Issues and Losses on Refundings [1] | Total Primary Government | Percentage of Personal Income [3] | Per Capita [3] |
| 2012 | 29,915,000 | 3,230,000 | - | 2,910,000 | 272,526 | (495,831) | 3,435,000 | 8,165,000 | (930,576) | 46,501,119 | 3.37% | $ 903 |
| 2013 | 27,095,000 | 2,910,000 | - | 2,050,000 | 1,631,602 | (396,737) | 4,690,000 | 7,495,000 | (610,729) | 44,864,136 | 3.30% | $ 867 |
| 2014 | 24,070,000 | 2,780,000 | - | 1,175,000 | 94,196 | 622,367 [2] | 4,285,000 | 6,915,000 | 237,146 [2] | 40,178,709 | 2.53% | $ 731 |
| 2015 | 20,655,000 | 8,365,000 | - | 285,000 | - | 994,148 [2] | 10,940,000 | 6,320,000 | 211,601 [2] | 47,770,749 | 2.98% | $ 884 |
| 2016 | 17,425,000 | 27,710,000 | 1,280,000 | 120,000 | - | 1,497,876 [2] | 10,305,000 | 5,695,000 | 186,063 [2] | 64,218,939 | 3.94% | $ 1,184 |
| 2017 | 14,490,000 | 27,350,000 | 860,000 | 75,000 | 160,545 | 1,099,640 [2] | 9,540,000 | 5,240,000 | 168,446 [2] | 58,983,631 | 3.62% | $ 1,075 |
| 2018 | 11,460,000 | 35,660,000 | 735,000 | 40,000 | 83,848 | 1,211,502 [2] | 11,545,000 | 4,770,000 | 150,830 [2] | 65,656,180 | 3.82% | $ 1,190 |
| 2019 | 8,805,000 | 46,200,000 | - | 1,565,000 | - | 1,887,637 [2] | 19,905,000 | 4,295,000 | 133,213 [2] | 82,790,850 | 4.49% | $ 1,474 |
| 2020 | 6,040,000 | 51,710,000 | 1,110,000 | 5,450,000 | - | 2,195,218 [2] | 18,725,000 | 3,805,000 | 115,597 [2] | 89,150,815 | 4.84% | $ 1,587 |
| 2021 | 4,115,000 | 54,930,000 | 2,370,000 | 5,450,000 | - | 2,432,587 [2] | 17,780,000 | 3,295,000 | 97,984 [2] | 90,265,571 | 4.48% | $ 1,549 |

**Note:** Details regarding the City's outstanding debt can be found in the notes to the Financial Statements.

[1] Column added to table in 2016; prior year figures have been restated to include amounts reflected.

[2] Calculations for fiscal years after 2013 do not include losses on refundings due to their balance sheet reclassification to Deferred Inflows of Resources.

[3] See Table 14 for personal income and population data.

# CITY OF EULESS, TEXAS
# RATIO OF NET GENERAL BONDED DEBT TO TAXABLE ASSESSED VALUE AND NET BONDED DEBT PER CAPITA – LAST TEN FISCAL YEARS
# (Unaudited)

Table 10

| Fiscal Year | General Bonded Debt Outstanding: General Obligation Bonds | Certificates of Obligation | Premiums/ Discounts on Debt Issues and Losses on Refundings [1] | Less: Debt Service Reserves | Net O/S Debt Total [6] | Estimated Population [2] | Taxable Value [3] | Net Debt to Taxable Value | Net General Debt Per Capita |
|---|---|---|---|---|---|---|---|---|---|
| 2012 | 38,080,000 | 3,230,000 | (1,126,577) | 956,430 | 39,226,993 | 51,500 | 2,651,724,005 | 1.48% | $ 762 |
| 2013 | 34,590,000 | 2,910,000 | (721,626) | 807,054 | 35,971,320 | 51,750 | 2,756,141,770 | 1.31% | $ 695 |
| 2014 | 30,985,000 | 2,780,000 | 883,948 [5] | 796,454 | 33,852,494 | 53,780 | 2,864,049,903 | 1.18% | $ 629 |
| 2015 | 26,975,000 | 8,365,000 | 1,228,901 [5] | 813,841 | 35,755,060 | 54,050 | 3,060,003,254 | 1.17% | $ 662 |
| 2016 [4] | 23,120,000 | 27,710,000 | 1,446,619 [5] | 1,056,021 | 51,220,598 | 54,250 | 3,454,590,524 | 1.48% | $ 944 |
| 2017 | 19,730,000 | 27,350,000 | 1,288,664 [5] | 1,398,495 | 46,970,169 | 54,870 | 3,551,269,846 | 1.32% | $ 856 |
| 2018 | 16,230,000 | 35,660,000 | 1,381,631 [5] | 1,914,141 | 51,357,490 | 55,170 | 3,994,306,235 | 1.29% | $ 931 |
| 2019 | 13,100,000 | 46,200,000 | 2,038,856 [5] | 2,415,379 | 58,923,477 | 56,160 | 4,380,610,654 | 1.35% | $ 1,049 |
| 2020 | 9,845,000 | 51,710,000 | 2,066,094 [5] | 2,676,299 | 60,944,795 | 56,160 | 4,906,129,368 | 1.24% | $ 1,085 |
| 2021 | 7,410,000 | 54,930,000 | 2,546,006 [5] | 3,154,199 | 61,731,807 | 58,260 | 5,195,274,057 | 1.19% | $ 1,060 |

**Note:** Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. Total does not include revenue bonds.

**Source:** [1] Column added to table in 2016, prior years restated to include amounts shown.

[2] Estimates by North Central Texas Council of Governments and Euless Planning and Development Department

[3] Tarrant Appraisal District

[4] Taxable value restated to fiscal year end amounts.

[5] Calculations for fiscal years after 2013 do not include losses on refundings due to their balance sheet reclassification to Deferred Inflows of Resources.

[6] For the 9/30/2018 and beyond presentations, tax notes and leases were removed as these debt instruments are not considered bonded debt.

**CITY OF EULESS, TEXAS**
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**
**AS OF SEPTEMBER 30, 2021 – (Unaudited)**

Table 11

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|---|---|---|---|
| **Debt repaid with property taxes** | | | |
| Grapevine-Colleyville Independent School District | $ 362,388,775 | 10.14% | $ 36,746,222 |
| Hurst-Euless-Bedford Independent School District | 343,375,000 | 20.39% | 70,014,163 |
| Tarrant County | 213,675,000 | 2.38% | 5,085,465 |
| Tarrant County Hospital District | 14,495,000 | 2.38% | 344,981 |
| Tarrant County College District | 255,995,000 | 2.38% | 6,092,681 |
| Subtotal, overlapping debt | | | 118,283,512 |
| **Debt repaid with property taxes** | | | |
| **City of Euless (direct debt)** | 69,092,587 | 100.00% | 69,092,587 |
| **Total direct and overlapping debt repaid with property taxes** | | | $ 187,376,099 |

**Notes:** The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable value.

The current year calculation of direct debt includes all general governmental activities debt including sales tax revenue bonds which are not repaid with property taxes. Amounts shown have been adjusted for losses on prior refundings, premiums, and discounts.

**Source:** Debt outstanding data provided by Municipal Advisory Council of Texas and City records.

**CITY OF EULESS, TEXAS**
**SCHEDULE OF REVENUE BOND COVERAGE WATER AND WASTEWATER BONDS – LAST TEN FISCAL YEARS**
**(Unaudited)**

Table 12

| Fiscal Year | Total Revenues [1] | Less Operating Expenses [2] | Net Revenue Available | Principal | Interest and Fiscal Charges | Total | Coverage Ratio |
|---|---|---|---|---|---|---|---|
| 2012 | 18,714,408 | 15,824,724 | 2,889,684 | 90,000 | 105,785 | 195,785 | 14.76 |
| 2013 | 19,399,314 | 16,660,397 | 2,738,917 | 330,000 | 82,110 | 412,110 | 6.65 |
| 2014 | 19,729,539 | 18,269,093 | 1,460,446 | 405,000 | 122,229 | 527,229 | 2.77 |
| 2015 | 21,182,560 | 17,879,209 | 3,303,351 | 410,000 | 129,703 | 539,703 | 6.12 |
| 2016 | 24,311,965 | 18,625,302 | 5,686,663 | 635,000 | 181,747 | 816,747 | 6.96 |
| 2017 | 24,353,525 | 19,249,699 | 5,103,826 | 765,000 | 175,682 | 940,682 | 5.43 |
| 2018 | 27,828,648 | 20,880,984 | 6,947,664 | 780,000 | 184,154 | 964,154 | 7.21 |
| 2019 | 27,603,615 | 21,006,298 | 6,597,317 | 915,000 | 191,327 | 1,106,327 | 5.96 |
| 2020 | 27,683,951 | 23,101,386 | 4,582,565 | 1,180,000 | 306,354 | 1,486,354 | 3.08 |
| 2021 | 29,072,318 | 22,122,296 | 6,950,022 | 945,000 | 274,924 | 1,219,924 | 5.70 |

**Notes:** [1] Operating and nonoperating revenues of water and wastewater fund

[2] Total operating expenses of water and wastewater fund exclusive of depreciation and amortization

**CITY OF EULESS, TEXAS**
**DEMOGRAPHIC STATISTICS – LAST TEN FISCAL YEARS**
**(Unaudited)**

Table 13

| Fiscal Year | Estimated Population [1] | Per Capita Income [2] | Personal Income (thousands of dollars) | Median Age [2] | School Enrollment [3] | Unemployment Rate [4] |
|---|---|---|---|---|---|---|
| 2012 | 51,500 | $ 26,820 | $ 1,381,230 | 34.4 | 21,570 | 6.6% |
| 2013 | 51,750 | $ 26,299 | $ 1,360,973 | 34.6 | 21,814 | 5.4% |
| 2014 | 53,780 | $ 28,947 | $ 1,556,770 | 31.8 | 22,138 | 5.0% |
| 2015 | 54,050 | $ 29,651 | $ 1,602,637 | 34.7 | 22,762 | 3.6% |
| 2016 | 54,250 | $ 30,054 | $ 1,630,430 | 34.9 | 23,090 | 3.8% |
| 2017 | 54,870 | $ 29,730 | $ 1,631,285 | 34.9 | 23,425 | 3.2% |
| 2018 | 55,170 | $ 31,117 | $ 1,716,725 | 34.9 | 23,632 | 3.5% |
| 2019 | 56,160 | $ 32,810 | $ 1,842,610 | 36.1 | 23,624 [5] | 3.6% |
| 2020 | 57,550 | $ 34,575 | $ 1,989,791 | 35.3 | 23,756 | 8.9% |
| 2021 | 58,260 | $ 34,575 | $ 2,014,340 | 35.3 | 22,884 | 4.6% |

**Notes:** [1] Estimates by North Central Texas Council of Governments

[2] Estimates by Claritas Site Reports; *Research & Demographic Solutions; 2014 forward from US Census Bureau*

[3] Hurst-Euless-Bedford Independent School District

[4] Texas Workforce Commission; Bureau of Labor Statistics

[5] Updated from projected to actual

**CITY OF EULESS, TEXAS**
**PRINCIPAL EMPLOYERS**
**CURRENT YEAR AND NINE YEARS AGO**
**(Unaudited)**

Table 14

| 2021* | | | 2012 | | |
|---|---|---|---|---|---|
| Employer | Employees | Percentage of Estimated Total City Employment | Employer | Employees | Percentage of Estimated Total City Employment |
| HEB ISD | 1,033 | 4.16% | HEB ISD | 818 | 3.25% |
| LSG Sky Chefs, Inc. | 663 | 2.67% | LSG Sky Chefs, Inc. | 800 | 3.18% |
| City of Euless | 390 | 1.57% | City of Euless | 360 | 1.45% |
| Target | 250 | 1.01% | Redi-Mix Concrete | 355 | 1.41% |
| Lowe's | 225 | 0.91% | Autogrill Group, Inc. | 350 | 1.39% |
| Life Outreach International | 186 | 0.75% | Life Outreach International | 181 | 0.72% |
| Redi-Mix Concrete | 185 | 0.74% | Super Target | 150 | 0.60% |
| Dave and Buster's | 150 | 0.60% | Lowe's | 125 | 0.50% |
| QuikTrip | 130 | 0.52% | Home Depot | 122 | 0.48% |
| Flynn BEC, LP | 120 | 0.48% | TJ Lambrecht Construction | 120 | 0.48% |
| Thirsty Lion | 120 | 0.48% | | | |
| Total | 3,452 | 13.89% | | 3,381 | 13.46% |

**Source:** City of Euless Planning and Development Department

* Prior year data used if updated information was unavailable.

**CITY OF EULESS, TEXAS**
**FULL–TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS**
**(Unaudited)**

Table 15

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Government and Administration | 48.50 | 48.50 | 48.50 | 48.00 | 49.50 | 50.00 | 51.00 | 50.50 | 50.50 | 49.00 |
| Public Safety | 129.00 | 132.00 | 135.00 | 136.00 | 136.00 | 136.00 | 137.00 | 137.00 | 139.00 | 139.00 |
| Fire Safety | 72.00 | 72.00 | 72.00 | 72.00 | 72.00 | 75.00 | 75.00 | 75.00 | 75.00 | 75.00 |
| Development Services | 6.00 | 6.00 | 7.50 | 7.50 | 7.50 | 8.00 | 7.50 | 7.50 | 7.50 | 7.50 |
| Culture and Recreational | 32.00 | 30.50 | 33.25 | 34.25 | 34.25 | 35.25 | 35.25 | 35.25 | 34.25 | 34.25 |
| Water and Wastewater | 42.50 | 42.00 | 42.00 | 42.00 | 42.50 | 42.50 | 43.50 | 43.00 | 44.00 | 43.50 |
| Golf Course | 13.00 | 12.00 | 10.75 | 11.75 | 11.75 | 11.75 | 11.75 | 11.75 | 11.75 | 11.75 |
| Public Works | 18.50 | 18.50 | 18.50 | 20.00 | 20.00 | 21.00 | 22.50 | 23.50 | 23.50 | 23.50 |
| Service Center | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Risk Management / Insurance | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Total | 368.00 | 368.00 | 374.00 | 378.00 | 380.00 | 386.00 | 390.00 | 390.00 | 392.00 | 390.00 |

**Source:** City Budget Office

# CITY OF EULESS, TEXAS
# OPERATING INDICATORS BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS
# (Unaudited)

Table 16

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Public Safety** | | | | | | | | | | |
| Police | | | | | | | | | | |
| Number of Certified Officers | 85 | 87 | 92 | 92 | 92 | 87 | 91 | 91 | 86 | 85 |
| Number of Citations Issued | 22,787 | 26,356 | 25,500 | 24,573 | 18,483 | 25,061 | 19,100 | 16,552 | 11,154 | 9,283 |
| Fire | | | | | | | | | | |
| Number of Certified Firefighters | 70 | 70 | 70 | 70 | 70 | 72 | 73 | 74 | 72 | 75 |
| Number of Alarms | 4,204 | 4,296 | 4,505 | 4,686 | 4,770 | 4,678 | 3,758 | 4,324 | 4,735 | 4,827 |
| Number of EMS Calls | 2,982 | 3,108 | 3,230 | 3,424 | 3,431 | 3,772 | 3,468 | 2,958 | 3,256 | 3,204 |
| Municipal Court | | | | | | | | | | |
| Cases Filed | 26,889 | 32,192 | 31,172 | 28,885 | 25,957 | 25,061 | 25,101 | 22,472 | 15,400 | 12,751 |
| **Development** | | | | | | | | | | |
| Number Residential Inspections - New | 44 | 42 | 107 | 176 | 186 | 176 | 214 | 93 | 3 | 0 |
| Number Commercial Inspections - New | 29 | 16 | 29 | 33 | 15 | 36 | 32 | 18 | 12 | 13 |
| Number Multifamily Inspections - New | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 6 | 0 | 0 |
| **Public Works** | | | | | | | | | | |
| Street Overlay (Square Footage) | 368,654 | 540,613 | 631,260 | 430,504 | 1,156,833 | 1,549,065 | 1,063,046 | 1,289,759 | 1,010,016 | 421,848 |
| **Cultural and Recreational** | | | | | | | | | | |
| Parks and Recreation | | | | | | | | | | |
| Recreation Center Memberships | 3,654 | 5,137 | 6,261 | 6,742 (1) | 6,975 | 6,528 | 7,183 | 7,125 | 2,820 | 3,886 |
| **Water and Wastewater** | | | | | | | | | | |
| Number of Water Consumers | 24,428 | 25,039 | 25,319 | 26,014 | 25,812 | 25,970 | 26,200 | 26,659 | 27,467 | 27,855 |
| Water Produced (In Gallons x 1000) | 299,107 | 416,843 | 380,864 | 741,225 | 540,921 | 439,255 | 580,337 | 569,697 | 8,520 (3) | 0 (4) |
| Water Purchased - TRA (In Gallons x 1000) | 2,440,539 | 2,133,211 | 2,154,469 | 1,628,651 | 1,787,547 | 1,766,692 | 1,767,677 | 1,586,667 | 2,250,350 | 2,187,563 |
| Water Supplied (In Gallons x 1000) | 2,739,646 | 2,550,054 | 2,535,333 | 2,369,876 | 2,328,468 | 2,205,947 | 2,348,014 | 2,156,364 | 2,258,870 | 2,187,563 |
| Annual Rainfall (In Inches) | 36.57 | 24.41 | 23.98 | 44.45 | 53.16 | 34.96 | 42.39 | 48.20 | 45.27 | 33.41 |
| **Golf Course** | | | | | | | | | | |
| Number of Paid Rounds Played | 34,550 | 35,890 | 22,110 (2) | 33,735 | 32,852 | 33,237 | 32,557 | 32,016 | 30,860 | 42,429 |

**Source:** City Departments
Annual Comprehensive Financial Report
City Budget Office

**Notes:**

(1) Amount restated to include recreation, aquatic and senior memberships.

(2) Golf course closed for 3½ months for renovations in 2014.

(3) Wells were out of operation for most of the year; two wells are in the process of being replaced.

(4) All wells inoperational for the entire fiscal year; the two under construction are nearing completion.

# CITY OF EULESS, TEXAS
# CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS
# (Unaudited)

Table 17

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| Public Safety | | | | | | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public Works | | | | | | | | | | |
| Streets - Paved [1] | 332.4 | 333.4 | 340.62 | 342.8 | 344.77 | 350.12 | 350.12 | 351.74 | 351.74 | 352.60 |
| Cultural and Recreational | | | | | | | | | | |
| Aquatic Facilities | 3 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 |
| Parks [2] | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Parks Land (Acres) [3] | 341 | 341 | 341 | 341 | 341 | 341 | 341 | 341 | 341 | 341 |
| Other Facilities (Acres) [3] | 291 | 291 | 291 | 291 | 291 | 291 | 291 | 291 | 291 | 291 |
| Community Buildings | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Ampitheater | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Conference Centre | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Golf Course | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Softball Facility [4] | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - |
| Athletic Fields | 33 | 33 | 28 | 28 | 30 | 30 | 30 | 30 | 30 | 31 |
| Library Holdings | 111,230 | 111,312 | 105500 | 98596 | 101160 | 85,123 | 80,241 | 81,353 | 82,501 | 85,010 |
| Water and Wastewater | | | | | | | | | | |
| Water Mains - Potable [5] | 227.99 | 231.06 | 232.28 | 234.84 | 235.50 | 236.30 | 239.10 | 241.93 | 242.28 | 243.00 |
| Water Mains - Reclaimed [5] | - | 1.73 | 3.22 | 3.70 | 3.82 | 3.96 | 4.12 | 7.15 | 11.65 | 11.65 |
| Fire Hydrants | 1,550 | 1,579 | 1,633 | 1,648 | 1,674 | 1,719 | 1,798 | 1,805 | 1,836 | 1,845 |
| Wastewater Mains [5] | 187.6 | 187.6 | 191.3 | 192.4 | 193.2 | 195.2 | 197.0 | 198.4 | 201.0 | 202.1 |

**Source:** City Departments

[1] Reported in lane miles.

[2] Restated to exclude Softball Facility

[3] Restated to reflect Golf Course and Softball Facility land separately

[4] Softball Facility operations were combined with Parks at Texas Star in FY2021.

[5] Miles of lines. Fiscal year 2012 figures have been restated to exclude approximately two miles of TRA lines that had been accidentally included as City lines.